

Algeria	6.00	Dhs	1.5	30.0	1.5	30.0	1.5	30.0
Argentina	17.5	100	1.0	100	1.0	100	1.0	100
Australia	0.625	Doll	1.0	1.0	1.0	1.0	1.0	1.0
Belgium	37.5	100	1.0	1.0	1.0	1.0	1.0	1.0
Canada	0.75	100	1.0	1.0	1.0	1.0	1.0	1.0
Denmark	6.80	100	1.0	1.0	1.0	1.0	1.0	1.0
France	100	100	1.0	1.0	1.0	1.0	1.0	1.0
Germany	2.20	100	1.0	1.0	1.0	1.0	1.0	1.0
Greece	160	100	1.0	1.0	1.0	1.0	1.0	1.0
India	17.5	100	1.0	1.0	1.0	1.0	1.0	1.0
Italy	1.36	100	1.0	1.0	1.0	1.0	1.0	1.0
Japan	163.6	100	1.0	1.0	1.0	1.0	1.0	1.0
South Korea	163.6	100	1.0	1.0	1.0	1.0	1.0	1.0
Spain	166.3	100	1.0	1.0	1.0	1.0	1.0	1.0
Sweden	136.5	100	1.0	1.0	1.0	1.0	1.0	1.0
Switzerland	2.20	100	1.0	1.0	1.0	1.0	1.0	1.0
Taiwan	163.6	100	1.0	1.0	1.0	1.0	1.0	1.0
U.S.	1.00	100	1.0	1.0	1.0	1.0	1.0	1.0
U.K.	1.36	100	1.0	1.0	1.0	1.0	1.0	1.0
West Germany	2.20	100	1.0	1.0	1.0	1.0	1.0	1.0
Yugoslavia	136.5	100	1.0	1.0	1.0	1.0	1.0	1.0

## Inflation Threatens New Try At Polish Economic Reform

By Bradley Graham  
Washington Post Service

**WARSAW** — Czeslaw Brobowski created Poland's central planning office in 1945 and watched it grow into the huge bureaucratic structure behind which successive Warsaw governments hid and collapsed.

Now, the 73-year-old economic wizard, summoned to counsel Poland's current leader, General Wojciech Jaruzelski, on a high-priority industrial reform, ruefully concedes that not much ground has been won in the first round of battle against the entrenched central planning apparatus.

"Last year," Mr. Brobowski said, "I predicted the reform would be successful in three years. I still believe that, though I've slipped the starting date ahead one year to now."

If 1982 was the year of the sick in Poland under martial law, 1983 is one for endless tables and graphs outlining a much-heralded, although often contradictory, government push to transfer more decision-making power to factory managers and perhaps later to workers' councils. In East Europe, an shorthand, it is a move away from the Soviet model toward the Hungarian.

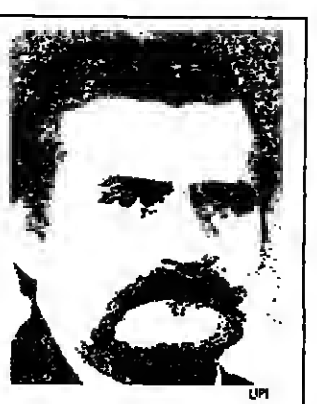
But the most tangible result so far has been the runaway inflation that threatens Poland's already shaky prospects for recovery.

Absence of encouraging results in the reform's first year is playing to the advantage of middle-level bureaucrats, who resent the changes, and Communist hard-liners, who say that what Poland really needs is even more concentrated central control of the economy.

A worse time for the painful restructuring would have been hard to find. Poland's economy lacks enough consumer goods to reward higher productivity and enough industrial goods to make higher production possible.

Advocates of the reform argue that greater decentralization of the economy provides Poland's only alternative to collapse — and General Jaruzelski, as well, "Jaruzelski cannot lose the reform," said Mr. Brobowski. "His fate is connected to it."

This is the third time in three years that a Polish government has vowed to reduce the central role of the state in the economy.



**MARCHES** — Leszko Waleza, former leader of the Solidarity trade union in Poland, walked Sunday in a procession carrying a cross adorned with a rosary made by jailed colleagues from prison bread. Page 2.

Balcerowicz, leader of a 1981 economic team that presented a more radical program. "The enterprises are thus never really autonomous."

Contradictions started appearing the moment the reform was formally launched, under martial law conditions, at the beginning of 1982.

"The government could not withdraw to a position of passive observer all at once," said Mr. Samojlik. "There was an effort to protect socially the consumer groups in the worse situation."

In the next phase this year, the number of centrally run operational programs is being reduced from 14 to six and replaced by a system of less-intrusive government contracts with industry. A gradual lifting of rationing has been announced. So have plans for a new law to crack the cartel behavior of the industrial associations.

But the whole reform could well be wrecked unless the huge increases in wages and prices of recent months are brought into line.

The inflation is traced first to a big jump in personal incomes, up 63 percent last year. Companies took advantage of their new freedom to decide how and when to raise workers' wages, increasing them 50 percent on the average, and the government added sizeable new social payments on top of that.

But facing a chronic shortage of most major consumer goods, this fresh money found its main outlet in thriving black market trade.

To vacuum up the abundance of zlotys, the government raised prices an average of 200 percent last year, and hefty markups continue this year.

Last week, the authorities presented the Sejm, or parliament, with a rigorous anti-inflation program. It includes higher taxes, reduced state spending and higher interest rates. In addition, the Treasury Department, noting a sharp rise in economic crimes last year, has vowed an all-out campaign against profiteers.

A lasting cure for inflation, though, will not come until production revives and pours new goods on the market. A three-year plan introduced this month calls for the value of commodities and services to rise 24 percent by 1985 through improved productivity and better use of existing resources.



**NEW PARTY** — Maneka Gandhi, daughter-in-law of Prime Minister Indira Gandhi, announcing the formation of a political party in New Delhi. Page 2.

## Cambodian Resistance Criticized by France

By William Branigan  
Washington Post Service

**BANGKOK** — France's minister of external relations, Claude Cheysson, has criticized the Cambodian coalition government of resistance groups opposing the Vietnamese occupation of their country and has ruled out a French mediating role in the Cambodian war.

Mr. Cheysson made the statements in a press conference Saturday, the day after foreign ministers of noncommunist Southeast Asian nations and the European Community condemned Hanoi's policies in Cambodia and called for the total withdrawal of Vietnamese troops.

A declaration also expressed French support for the coalition, made up of two noncommunist groups led by Prince Norodom Sihanouk, the former Cambodian head of state, and his one-time prime minister, Son Sann, plus the communist Khmer Rouge removed from power by the Vietnamese in 1979.

But Mr. Cheysson appeared to repudiate this when he said France had not welcomed the formation of the coalition and felt it had not furthered the search for a settlement in Cambodia.

He said France objected to the participation of the Khmer Rouge, which has been blamed for mass murder and destruction during nearly four years of rule.

Mr. Cheysson said that on his scheduled visit to Hanoi this week he would inform Vietnam's foreign minister, Nguyen Co Thach, of the results of the two-day ministerial meeting of the Association of Southeast Asian Nations and the European Community. However, he denied speculation he would try to act as a mediator in the Cambodian conflict.

In a news conference Friday, Son Sann, the leader of an anti-communist resistance group, the Khmer People's National Liberation Front, and Thach Rang, his top military leader and a former general, said that for the first time the three resistance groups have agreed to coordinate operations in response to the expected Vietnamese attack.

But they said this did not mean combined operations and insisted that the three groups be suspicious and often hostile partners would continue to fight the Vietnamese in separate units.

Mr. Son Sann also alleged that at the beginning of last month Vietnamese troops backed by armor "destroyed and obliterated the Cambodian civilian settlement of Ong Chan and left more than 40,000 civilians homeless."

The ASEAN-EC joint declaration surprised some Western diplomats by taking up that point in strong tones.

The statement said "the military forces deployed the recent military attacks by Vietnamese armor and artillery forces against" the camps, schools and hospitals built for Cambodian civilians by international relief agencies at the border.

"These attacks constituted violations of the fundamental principles of humanitarianism and the United Nations Charter," it said.

## Andropov Denounces Reagan's Arms Plan

By Dusko Doder  
Washington Post Service

**MOSCOW** — The Soviet leader, Yuri V. Andropov, has accused President Ronald Reagan of deliberately lying about Soviet military strength and of "attempting to disarm the Soviet Union in the face of the U.S. nuclear threat."

Mr. Andropov, responding Saturday to Mr. Reagan's speech Wednesday on military policy, said the president's strategic proposals were not only "irresponsible" but also "insane," and he said that "the present administration is continuing to tread an extremely perilous path."

Mr. Andropov's comments were made public by the official press agency Tass in an English-language text of an interview published in Sunday's editions of Pravda, the official Communist Party newspaper. The interview contained some of the strongest personal attacks on a U.S. president by a Soviet leader in recent years.

Veteran observers here could not recall a Soviet leader publicly accusing a U.S. president of lying. The tone of Mr. Andropov's remarks was angry, and both the tone and contents suggested that Moscow has practically abandoned hope of reaching an accommodation with Washington during the Reagan administration.

Mr. Andropov specifically denounced Mr. Reagan's plan to switch to a nuclear deterrent based on an anti-ballistic missile defense as a violation of U.S.-Soviet treaties.

from Mr. Reagan's speech, Mr. Andropov said:

"My answer will be short and forthright: The incumbent U.S. administration continues to tread an extremely perilous path. The issues of war and peace must not be treated so flippantly. All attempts at achieving military superiority over the Soviet Union are futile. The Soviet Union will never allow them to succeed. It will never be caught defenseless by any threat."

"Let there be no mistake about it in Washington. It is time they stopped devising one option after another in the search of best ways of unleashing nuclear war in the hope of winning it. Engaging in this is not just irresponsible, it is insane."

Mr. Andropov said Mr. Reagan "told a deliberate lie when asserting that the Soviet Union does not observe its own unilateral moratorium on the deployment of medium-range missiles."

The Soviet Union announced last March that it would unilaterally freeze the deployment of medium-range SS-20 missiles in Europe, but the United States repeatedly has said that the deployment continues.

The Soviet leader said Mr. Reagan's announcement of "large-scale measures to create qualitatively new systems of conventional weapons" would ensure that "another direction in the arms race is opening up."

Mr. Reagan's plan for a new "defensive" strategic concept requires a "special mention," Mr. Andropov said. He said the notion was a ruse that "laymen may find

## Reagan Letter Outlines NATO Missile Options

By George C. Wilson  
Washington Post Service

**WASHINGTON** — President Ronald Reagan has sent letters to NATO heads of state outlining various possible proposals for limiting the number of medium-range nuclear missiles deployed in Europe by the United States and the Soviet Union, according to a senior defense official.

The senior official was traveling Friday aboard a plane carrying Defense Secretary Caspar W. Weinberger from Madrid back to Washington.

The official said the letters were sent Wednesday and that their purpose was to obtain reactions from West European allies.

The president's letters went out as defense ministers of the North Atlantic Treaty Organization met in Portugal to discuss ways of limiting the number of medium-range missiles in Europe.

Mr. Reagan's current proposal at nuclear arms talks in Geneva, called "zero option," is for NATO to forgo its planned deployment of 572 U.S. medium-range Pershing-2 and cruise missiles and for the Soviet Union, in exchange, to dismantle its own force of several hundred medium-range missiles already targeted on Europe.

The Soviet Union has rejected this, and Mr. Reagan has come under pressure to propose an alternative.

One alternative under consideration would allow the United States and the Soviet Union each to deploy 100 launchers carrying a total of no more than 300 nuclear warheads.

A second alternative would allow NATO to deploy missiles to the current level of Soviet missiles in the same class. Then both sides would reduce to a lesser number.

## Israel Reaffirms Role of Haddad

Jerusalem — Israel reiterated Sunday that Major Saad Haddad, the southern Lebanon militia commander, and his forces must play a key role in preventing renewed guerrilla actions in the border area if Israel is to withdraw its troops from Lebanon, Israeli officials told Reuters.

The officials quoted Foreign Minister Yitzhak Shamir as telling the U.S. special envoy, Philip C. Habib, in a meeting Sunday night that "Israel insisted Major Haddad and his militia must have a dominant role in preventing Palestinian terrorists from again turning south Lebanon into a base for actions against Israel."

Mr. Shamir said that Major Haddad and his men had "proven they were ready to fight and could fight the terrorists," an official said. "Mr. Haddad was told the Lebanese authorities must understand that without giving this vital assignment to Major Haddad there can be no agreement."

Mr. Habib, who has been shuttling between Jerusalem and Beirut to achieve an agreement on the evacuation of Israeli, Syrian and Palestinian forces from Lebanon, is expected to leave for Beirut on Monday and return to Jerusalem at the end of the week, the officials said.

Earlier, a spokesman for the Israeli government said that the personal future of Major Haddad was not the main issue holding up an agreement on a withdrawal of forces from Lebanon.

Speaking after the weekly cabinet meeting, the spokesman, Dan Meridor said: "It is not a personal problem of Major Haddad. It is a very basic security question for Israel."

In an interview with Israeli television Saturday, Simcha Dinitz, a former Israeli ambassador to Washington, said that U.S. Secretary of State George P. Shultz had told him that the status of Major Haddad was the only serious problem left.

In an interview with Israeli radio (Continued on Page 2, Col. 5)

## Officials of NATO Nations Believe U.S. Missile Deployment Will Start

By Jim Hoagland  
Washington Post Service

**BONN** — A consensus that a new generation of U.S. nuclear missiles will begin to be deployed in Western Europe this year is emerging among leading defense and arms control officials in Bonn, London and Paris.

They feel that neither the Soviet effort to derail the installment of missiles nor the U.S.-Soviet negotiations in Geneva can now halt the movement toward initial deployment.

For many of these officials, the chief question quickly has become the price that countries which accept the missiles will have to pay in civil unrest.

In turn, the debate over the deployment of ground-launched cruise and Pershing-2 missiles has shifted to a much deeper level in Europe than the current discussion in Washington over whether or when President Ronald Reagan will move away from his "zero option" negotiating position.

The Reagan proposal calls for canceling the U.S. deployment in return for an agreement by the Soviet Union to dismantle all the medium-range missiles it has targeted on Western Europe.

The differences in the tone and topic of the debate on each side of the Atlantic reflect a more fundamental difference between European and U.S. policy-makers over the nature of the Soviet threat and the best ways to counter it, senior British, West German, French and Italian officials suggested in interviews conducted in allied capitals this month.

The lingering and vivid image in Europe of a trigger-happy, nuclear-armed Reagan administration poses as much of an immediate problem for these officials as does the demonstrable Soviet military buildup on their borders.

There is growing concern in Britain and West Germany in particular, and a reservoir of doubts, criticism and offended pride that calls into question American understanding of European problems.

"We are negotiating with public opinion over this deployment," a British official said in a remark echoed in Bonn and in a lesser extent in Paris. "And that is at least as hard and as important as the negotiations the Americans are conducting with the Russians."

The primary concern in Bonn and London at the moment is minimizing the civil disturbances that deployment may bring as the anti-missile movement returns to the streets this spring and summer.

Another fear is that the Russians are pursuing a strategy at Geneva designed to maximize these disturbances, and that hard-line supporters of President Reagan are playing into Soviet hands by the continuing demonstration, in this view, of callousness and confusion on arms control.

President Reagan's quick return to anti-Soviet rhetoric — seen by many here as belittling — in the wake of Chancellor Helmut Kohl's victory in the March 6 national elections in West Germany has posed the problem of public reaction even more acutely for many officials. They fear that Mr. Reagan is reading the German reaction as having settled a public opinion battle that, for them, has only started.

"Public opinion here will understand that it was some kind of plot, that Reagan has been quiet until now only to influence the German elections," one Kohl adviser said earlier this month.

These officials acknowledge that Chancellor Kohl's victory has strongly reinforced the likelihood that Pershing-2 missiles will be deployed on schedule in December in West Germany and the first cruise missiles will be made operational in Britain and Italy about the same time. But it also introduces new elements to the issue that they fear are not apparent to policy-makers in Washington.

The deepest level of debate here is over Soviet intentions. According to one serious viewpoint rarely voiced in public, the Soviet Union has little interest in reaching an interim agreement at Geneva that would allow the United States to begin deployment of the two new missiles while establishing a mutually balanced ceiling for medium-range rockets on both sides.

Such an agreement would mean that the Soviet Union would in effect legitimate the deployment of some of the U.S. rockets, a move that would give Chancellor Kohl, and the governments of Britain and Italy, a powerful argument against demands by peace demonstrators and politicians that there be no NATO deployment.

The Russians may well prefer to see an agreement — particularly if European opinion can be persuaded that Mr. Reagan is to blame for the stalemate — and the beginning of a deployment that could touch off massive unrest and damage the North Atlantic Treaty Organization's key European member governments, some officials fear.

In this analysis, the first deployment is not the end of the fight for public opinion, but the beginning.

Mr. Reagan's public intonations and negotiating stance should be attuned to easing the conditions of deployment, say officials dismayed by the confusion and controversy surrounding the sudden firing of

## French Foresee 'Vacations With Grandmother'

Anger Greeted Taxes, Currency Controls That Are Likely to Keep Travelers in Country

By E.J. Dionne Jr.  
New York Times Service

**BAGNOLET**, France — Jean-Francois Denieu, a sales director for a hospital supply concern, offered this view of France's new economic plan, which includes restrictions on holiday spending abroad: "We are condemned to vacations with our grandmothers in the countryside."

Anger over ruined travel plans, worries about increased taxes and fears of higher unemployment were among the reactions Saturday in this eastern suburb of Paris and elsewhere to the austerity program announced Friday by France's Socialist government.

The program is designed to curb inflation and reduce the foreign trade deficit, which reached the equivalent of about \$11 billion last month alone, by cutting consumer spending this year by the equivalent of 2 percent of the gross national product.

It includes new taxes on such items as gasoline, liquor and tobacco, a forced loan that most taxpayers will have to make to the government and sharp restrictions on the amount of money vacationers can spend abroad.

Government estimates suggest that in any one year, 16 percent of all French citizens travel abroad. But that understates the importance of the new rule in a country where the law guarantees five-week vacations and where cheap package tours are popular among even the less well-to-do.

The new rules will permit travelers to convert only 2,000 francs a year, or about \$275, into foreign currency for use abroad, although it allows them to take an additional

1,500 unconverted francs with them.

The rules will also bar the use of credit cards abroad. Jean-Claude Murat, president of the French travel agents' organization, said the provision was a "catastrophe."

"It's not enough money for a weekend in Belgium," said a young businessman interviewed Saturday afternoon in a Paris cafe.

"It's not yet the Gulag," said Mr. Denieu, who lives in Champs-sur-Marne, a Paris suburb east of Bagnolet, and who normally supports the Socialists. "But it will end up looking like it."

However, Patrick Tourneur, who owns a pharmacy in Suresnes, a western Paris suburb, said he thought the "vacation exchange controls" were "indispensable, if not very popular."

His doubts, he said, were about the government itself. "The medicine is good," Mr. Tourneur said. "It's the doctor who doesn't inspire confidence."

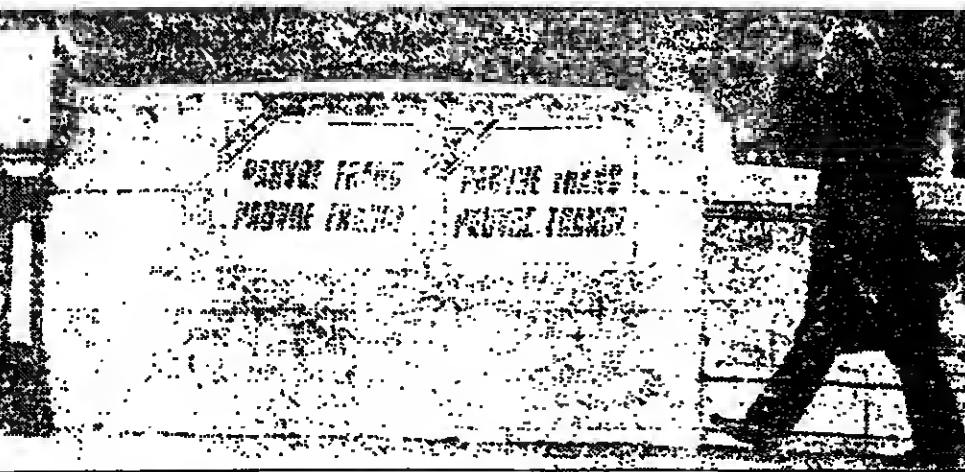
In Bagnolet, a leftist bastion that gave President Francois Mitterrand 68 percent of its ballots in the 1981 election, it was difficult to find anyone who was enthusiastic about the program.

Jean Gauguier, who runs the cafe "Le Bus," tucked amid high-rise public housing projects and shopping centers here, said most of his clients cheered Mr. Mitterrand's election in 1981.

"It was a big celebration," he said. "People were saying, 'We won, we won.'"

"But it's not the same anymore," he continued. "This is a town of the disinherited."

Guy Molliet and Renée Avisara, who are salesclerks in an appliance shop next door, were



Posters in Paris say, "Poor franc, poor France." They are referring to last Monday's devaluation, the third since the Socialist government came to power in the spring of 1981.

among those the proprietor was talking about. Both voted for Mr. Mitterrand. Neither likes the new measures.

"The new program is a bad one," Mr. Molliet said. "It takes away liberty from people who want to take vacations, and the new taxes on alcohol and tobacco and other things will hit the workers hardest."

"And those with a lot of money will get away with paying nothing," said Miss Avisara.

Business leaders generally praised a measure that would increase income taxes by 1 percent to reduce the Social Security budget deficit, since the alternative involved placing this cost directly on them.

But the national employers' organization, the National Council of

French Management, said the full program "would not permit the righting of the economy even though it imposes some heavy sacrifices on the French people."

The reaction from the trade unions was quite negative.

Henri Krasucki, secretary general of the General Confederation of Labor, the largest labor organization, said that "too many workers of modest incomes will see their purchasing power reduced."

The French Democratic Confederation of Labor, a group of unions close to the Socialists, said, "Employment, the essential objective, is sacrificed."

Most conservative opposition leaders used the harshest of terms to attack the program. Bernard Pons, secretary general of the neo-Gaullist party Rally for the Republic, said "the government is impos-

ing a lower standard of living on them in an authoritarian way."

Protest by Travel Agents

A group of leading French travel agents interrupted a Socialist Party meeting Sunday to protest the austerity package. Reuters reported from Paris. They forced Edith Cresson, the new foreign trade and tourism minister, into a street confrontation.

Jacques Maillot, chairman of the Nouvelles Frontieres travel agency, said Mrs. Cresson said that the measures would force most people in the travel business out of work.

Mrs. Cresson promised to meet with the travel agents Monday and told journalists that the government realized the measure would be unpopular. But she added: "This is a national necessity. We're in a situation of economic war."

## INSIDE



Anthony Blunt, 75, exposed in 1979 as a former Soviet spy, has died in London. Page 6.

Switzerland's prime minister has been removed from office and forced into exile in a quiet palace revolution. Page 3.

Airlines flying between the United States and Britain are being investigated by the U.S. Justice Department for possible antitrust violations. Page 7.

Garfield, the popular comic strip about a whimsical cat, joins the International Herald Tribune on the Comics Page today. The page has been redesigned for the occasion. Page 12.



# Spain Finds Tradition an Obstacle to Modernizing Army

By John Darmon  
New York Times Service

MADRID — The Spanish Army is being revamped under a program aimed at modernizing its training, reducing its size and deploying it to concentrate on defense against a possible threat from abroad rather than on internal unrest.

With the armed forces widely regarded as lagging behind the rest of Western Europe in training, technology and command structure, the defense minister, Narcis Serra, 39, is viewed as a key figure in persuading military leaders that the projected changes are improvements in defense and not an attack on the old order.

The program being instituted by the Socialist government of Prime Minister Felipe Gonzalez includes many elements that were drawn up by the previous government, headed by Leopoldo Calvo Sotelo, but

shelved after an unsuccessful coup attempt in February 1981. The fear then was that any tinkering with the structure of the tradition-laden army could provoke another coup attempt.

But the threat of a rightist coup seems to have abated, partly because the Socialists' victory in October was sweeping and partly because King Juan Carlos I has made his commitment to democracy clear.

The changes being put into effect first are technical in nature, and those with political implications, such as the redeployment of mechanized brigades away from major cities, have been supported by some military figures eager to bring the army up to an acceptable standard for membership in the North Atlantic Treaty Organization.

Technical military reform came in a standstill over the last two

years, although some among the military were pressing for it," said Angel Vinas, a military historian. "A lot of internal, in-depth analysis was performed with which the military itself agreed. It was never a question of will but of political strength to push the reforms through."

The aim of the program is to cut the army from 250,000 men to 160,000 and the number of officers by 25 percent. Conscripts, who number 190,000, would serve 12 to 15 months, or three months less than now, and would also go on duty in their home areas.

The retirement age for officers would be gradually lowered, eventually reaching 60 years, under a plan that would gently ease them into advisory positions. By December 1984 all 18 lieutenant generals now serving would be out of command slots.

This aspect — reducing the chances of officers to become generals and reducing the tenure of the generals — had been an obstacle to change.

Another key change would be base promotions on merit, in accordance with a list of objective criteria and a point system, instead of the present seniority system. The defense minister, Mr. Serra, pledged in recent testimony before a parliamentary panel that when it came to promotions "no officer will be discriminated against because of what he thinks."

Under Franco, the army was a special calling. Kept apart from the people, it was schooled in the anti-communist crusade and taught to think of itself as the guarantor and repository of the values of the Roman Catholic Church, the family, morality and statehood. Officers, as they had for centuries,

tended to come from military families.

But on a practical and technical level the army was neglected, so that it is now oversized and underpaid. Although special benefits exist for such things as housing, the average pay for a colonel is \$1,000 a month and for a captain \$600.

The three major service branches were kept isolated from one another. The army, in particular, became top-heavy with senior officers. In 1980 most of the 365 generals were over 73 years of age, and the youngest was 58.

The present program would reduce the number of military regions from nine to six and substitute a system of as many as 18 mobile brigades for the current pattern of fixed troop assignment.

Franco, with an eye more toward putting down internal unrest than fighting an outside enemy, de-

ployed the Brunete armored division around Madrid, a situation that still prevails.

Among the prospective changes, two have direct political repercussions. One is a gradual influx of civilian professors into the military academies, a move that could liberalize the now openly ideological instruction there.

Another is a change in military law that would put rebellion and treason under the jurisdiction of civilian courts. This proposal is especially delicate.

The military trial of the officers involved in the 1981 coup attempt, when Civil Guards stormed parliament and held legislators hostage, ended in sentences much more lenient than those sought by the prosecution.

Other innovations planned for the army include opening it up to women and recognizing exemption for conscientious objectors.

## WORLD BRIEFS

### ETA Groups Claim 2 Abductions

MADRID (UPI) — Authorities mounted a national search Sunday for Diego Prado y Colon de Carvajal, a descendant of Christopher Columbus, and for a Basque businessman abducted in a separate incident. The government offered rewards of 20 million pesetas (\$147,000) for information leading to the rescue of either man.

Meanwhile, in San Sebastian Sunday, an explosion killed a police bomb expert and left another in serious condition. The two men had been trying to dismantle a device that was believed to have been placed in an office building by members of ETA, the Basque separatist group.

ETA claimed responsibility Saturday for the kidnapping of Mr. Prado, 33, who was taken from his Madrid apartment Friday by men posing as plainclothes police officers. The Autonomous Antiterrorist Command, an ETA splinter group, claimed the abduction of Jesus Guitierrez, a steel plant manager, on March 21.

### Bonn Urges Census Compliance

BONN (UPI) — The government Sunday opened an extensive effort, which is to include television and print advertisements, to urge West Germans to answer census questions on personal finances, country of origin, personal insurance and even home heating.

Interior Minister Friedrich Zimmermann said in an interview with the magazine Der Spiegel that the April 27 census would be a test, and dismissed a growing movement to boycott it because of fears government agencies would misuse the data.

An opinion poll published recently said that 52 percent of West Germans mistrusted the census questions, and 25 percent of the 23-million West German households would not complete it.

### O'Neill Assures Beijing on Ties

BEIJING (LAT) — The House speaker, Thomas P. O'Neill, assured Chinese leaders Sunday of general congressional support for improved Chinese-American relations, which have been increasingly strained by continued U.S. arms sales to Taiwan.

Representative O'Neill, a Massachusetts Democrat, said in the offer of a nine-day visit by congressional leaders: "Much remains to be done to advance the U.S.-China relationship. As speaker of the House, I can assure you that the overwhelming majority of my House colleagues support further improving and strengthening of relations with China."

Liao Chengzhi, a member of the Communist Party's Politburo, said the congressional leaders at a banquet that Beijing was optimistic about prospects for Chinese-American relations "from a long-term point of view." He said: "Although there still exist difficulties and obstacles in the way of Sino-American relations, we shall be able to surmount them and see the healthy development of our relations," providing that the terms of the agreement establishing full diplomatic relations four years ago and the agreement reducing arms sales to Taiwan are fully honored.

### Danes March in Nuclear Protest

COPENHAGEN (AP) — Thousands of Danes marched through rain and sleet on Sunday to protest the nuclear arms race in general and the planned deployment of new intermediate-range missiles in Western Europe in particular.

In Copenhagen, at least 6,000 assembled in Town Hall Square after a 13-mile (20-kilometer) march from the Danish Defense Command headquarters at Vedbaek north of here.

At Aarhus, Denmark's second largest city, and in a number of other major towns, similar marches attracted more protesters. A wide spectrum of peace movements organized the marches under the slogan: "A Danish No to NATO's New Rockets."

### 2 W. Germans Held in Philippines

DAVAO, Philippines (Reuters) — Two West Germans have been arrested for alleged involvement in subversive activities in the southern Philippines, a senior military official announced.

Colonel Dionisio Tangue said Saturday that Volker Schmidt, 41, from Hamburg, was detained with three Filipinos on Thursday after soldiers raided a house in Davao about 600 miles (960 kilometers) south-east of Manila. Dorothea Breckenridge, 21, from Kappelbach, was arrested the following day while visiting the house, he said.

Colonel Tangue said that soldiers seized subversive documents, photographic and printing equipment. He said that Mr. Schmidt, who claimed to be a pastor of a religious sect and a freelance journalist, was named by a guerrilla leader arrested earlier as connected with some of the "orientation programs" of the Communist New People's Army.

### West Bank Schoolgirls Poisoned

TEL AVIV (Reuters) — More than 230 Palestinian schoolgirls were in hospitals Sunday after an apparent mass poisoning that Israeli occupation authorities said might have been caused by Palestinian guerrillas.

Dr. Yitzhak Segev, chief medical officer of the Israeli civilian administration in the West Bank, said 307 students in five girls' schools were brought for treatment at hospitals in the occupied area and Israel, and 233 were admitted.

"Most of them are suffering from some unknown poison which they inhaled," apparently after it had been sprayed on schoolroom curtains, Dr. Segev said. He said the poisonings may have been caused by "hostile forces, since the Palestine Liberation Organization news agency announced [Thursday] night they had already occurred when actually they only began the following day, on Friday."

### Gains by Soviet Asian Navy Seen

WASHINGTON (Reuters) — The Soviet Navy is increasing its strength in Asia but the United States is still superior, the commander of the U.S. 7th Fleet said in an interview published Sunday.

Vice Admiral Staser Holcomb, in an interview with the magazine U.S. News & World Report, said the Soviet Union is becoming much stronger in the northern Pacific and is building up its forces at the former U.S. base at Cam Ranh Bay in Vietnam.

"No question, we have an edge in the Indian Ocean. We have a marked edge in the South China Sea," Admiral Holcomb said. "In the Northwest Pacific, where the Soviets can bring the full range of land-based aviation, submarines, short- and long-range combatant forces to bear in an area they hold dear, the balance has clearly begun to shift," he said.

### Turkey Said to Draft Press Laws

ANKARA (Reuters) — The Justice Ministry is drawing up laws to tighten restrictions on the press in preparation for a return to parliamentary government, the newspaper Cumhuriyet said Sunday.

It said that under the rules editors could be jailed for certain offenses, such as refusing to tell the authorities who had written an article, for a minimum of one year and newspapers closed for at least three months.

Cumhuriyet, a left-leaning daily, quoted a senior cabinet minister, Ibrahim Ozrak, whose responsibilities include the press, as saying the draft laws were intended to curb "pirate publications" representing clandestine organizations and were not a violation of press freedom.

### 13 Nations Sign Caribbean Accord

UNITED NATIONS, New York (NYT) — The United States and 12 countries took a first step last week toward combating pollution in the Caribbean, signing a treaty committing them to protect the basin's marine environment.

The pact, approved Thursday at Cartagena, Colombia, is couched in general terms and, in the words of a State Department official, "essentially a moral obligation." It sets no standards and imposes no fines. But its signers regard the document as a basis on which more detailed agreements are to be made.

Nations that joined in the accord included Britain, France and the Netherlands, all of which control territories in or along the Caribbean. Other signers were Colombia, Grenada, Honduras, Jamaica, Mexico, Nicaragua, Panama, St. Lucia and Venezuela. Four Caribbean nations — Cuba, Costa Rica, Guatemala and Trinidad and Tobago — sent delegates but did not sign because of legislative or constitutional technicalities. Representatives from the four, however, said they supported the accord and expected to join later.

### For the Record

MILAN (AP) — A magistrate has ordered that Angelo Rizzoli and Bruno Tassan Din, two former senior executives of the Rizzoli publishing empire, be released from jail pending further investigations into fraudulent bankruptcy charges.

PARIS (AP) — European Socialist prime ministers — Olaf Palme of Sweden, Felipe Gonzalez of Spain and Andreas Papandreu of Greece — will meet in Paris on May 18 with President Francois Mitterrand to discuss the upcoming summit meeting of seven leading industrialized nations, it was announced.

MOSCOW (AP) — Javier Pérez de Cuellar, secretary-general of the United Nations, arrived Sunday for talks with Yuri V. Andropov, the Soviet leader. The discussions were expected to focus on Afghanistan.

# Yugoslav Regionalism Brings Disarray

## Provincial Rivalries Hamper Attempts to Reform an Ailing Economy

By Dan Fisher  
Los Angeles Times Service

BELGRADE — A new play was banned recently after only nine performances in the capital of Yugoslavia's Vojvodina autonomous province. Later, in Croatia and Bosnia-Herzegovina, two of the country's six republics, it was denounced as dangerously nationalist.

But the play is drawing sellout crowds in Serbia and it won an award in Slovenia.

This is one example of why it is said that there is no Yugoslav "ship of state" but rather a convoy consisting of the country's constituent parts. It also shows that the elements of that convoy frequently head in different directions.

The decentralized structure that makes such differences possible in a one-party system is often cited as a masterstroke of the late president, Tito. It was one key to forming a nation, after World War II, out of a collection of peoples whose ethnic hatreds are centuries old.

But economically, and without Tito's enormous authority, it is degenerating into what a prominent Yugoslav lawyer calls "chaos that looks a little bit like freedom."

With living standards plummeting and debt to the West rising, virtually everyone here agrees that the time has come for fundamental change. But they are bitterly divided over what sort of change is needed.

The Yugoslav leadership has devised an economic stabilization program that it hopes will carry the country through the short-term crisis. The plan includes a strong dose of austerity and \$4.5 billion in new Western credits, loans and payment deferrals.

However, there is continuing disarray in the making of day-to-day decisions, and this not only calls into question the government's ability to address the long-term problem but disrupts the ef-

fort in cope with short-term difficulties as well.

Early this year, for example, the federal government allocated \$30 million for imports needed to overcome critical shortages. About that time an epidemic of influenza hit 60,000 people in Belgrade alone, and there were virtually no antibiotics to be found. The emergency funds to import them went unused because the six republics and two autonomous provinces could not agree on how the money should be distributed.

A Yugoslav newspaper recently described the country as having "eight economies and eight ideologies." Actually, the situation is worse than that. The Yugoslav Supreme Court ruled last year that rationing is illegal except on a national basis. Yet today about 40 percent of the more than 500 communes — political subdivisions roughly analogous to counties in the United States — have established rationing programs.

What makes these internal contradictions particularly confusing to the Westerner is that Yugoslavia was once part of the Soviet bloc and, despite its decisive break with Moscow in 1948, it retains some features that vaguely resemble a Soviet-style system.

"It's a one-party state with a Central Committee and a party presidency that looks like a politburo," a Western diplomat said. "But each politburo member is responsible only to his republic. There is no enforcement mechanism, and no central party bureaucracy. The muscle of the Soviet party to intimidate doesn't exist here."

The decentralized system is designed to give an equal say to each of the republics and autonomous regions. In practice, this results mostly in endless negotiations and an inability to act, according to Najdan Pasic, president of the Serbian Constitutional Court.

Ethnic rivalry means that if there is a gadget factory in Croatia there must be another in Serbia — whether Yugoslavia needs two such factories or not. This economic chauvinism is supplemented by a system of unofficial but effective intranational trade barriers that prevent development of a unified national market. Slovene cheese, for example, used to be popular in Belgrade but can no longer be found here. Serbian shopkeepers reportedly refuse to stock it.

"The local bosses," meanwhile, "are interested in having as many factories as possible," a former government official said. "It's no skin off their nose whether the factories are profitable or not," he said, thanks to a system under which profitable companies pay into a general fund to cover the losses of unprofitable ones. This "socialization of losses" is only now being phased out.

That some kind of change is necessary is not questioned. What is at

issue is what kind of change, and how far it should go.

One problem in discussing change is the old sensibilities. Many people think, for example, that greater central influence on the economy, if only in terms of financial discipline, is vital.

But for others, any sacrifice of regional autonomy would mean a step backward, toward Stalinism or toward Serbian domination.

Some argue that the real problem is not too much republicanism and local autonomy, but the wrong kind. Communist ideologues, grounded in Marx's identity of interests in a classless society, cannot bring themselves to acknowledge the conflicting regional and ethnic interests in multinational Yugoslavia, they say.

And as a result, the system lacks any checks and balances that would legitimize those conflicting interests and establish ground rules for resolving disputes.

In the background, meanwhile, is official fear that further reform in Yugoslavia's economic and political system might quickly get out of control and threaten such pillars of the system as one-party rule and the vaunted arrangement of "worker self-management."

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# Walesa Joins Ritual At Church in Gdansk

GDANSK, Poland — Lech Walesa, former leader of the banned trade union Solidarity, walked Sunday in a church procession carrying a charred wooden cross adorned with a rosary made by imprisoned colleagues from prison bread.

About 2,000 people, including many former union members, took part in the traditional Palm Sunday Mass in and around St. Brigid's Roman Catholic Church near Gdansk's Lenin Shipyard, where Solidarity was born in August 1980.

The parish priest, Henryk Jankowski, led prayers for a general amnesty and the release of imprisoned Solidarity activists. A former Solidarity official prayed for revival of the union. Solidarity's right to exist was suspended when martial law was declared in December 1981, and the union was dissolved in October.

The procession was confined to the church and its precincts. There was no attempt to go to a large monument outside the shipyard's main gate. The monument has been the scene of clashes between

Solidarity supporters and the police.

Church sources said the small, blackened cross carried by Mr. Walesa had been hanging on the monument when it was doused with gasoline and set on fire after riot police dispersed about 1,500 pro-Solidarity demonstrators in the area two weeks ago.

The rosary twined around the cross was made from prison bread kneaded into beads by former Solidarity members tried and convicted for offenses under martial law. Father Jankowski said.

No special police squads were in view during the procession and the city appeared quiet.

During the service, Mr. Walesa sat with another former Solidarity leader, Alojzy Szablewski, near the main altar.

A group of about 200 well-wishers gathered around him and gave him an ovation, making victory signs as he left.

When asked what he expected from Pope John Paul II's second visit to Poland in June, Mr. Walesa replied "moral strengthening."

■ **Appearances Assailed**

The Communist Party daily in Gdansk said Saturday that Mr. Walesa found it "difficult to come to terms with his loss of popularity" and was seeking "sensational" to remain "at the top of world press reports." The Associated Press reported from Gdansk.

The state-run news organizations have largely ignored Mr. Walesa's appearances, but the Gdansk newspaper, Glos Wyznacza, said Mr. Walesa was reaching "for a sensation" by suggesting that there may have been a plot to kill him during his trip to Italy in 1981.

Meanwhile, Warsaw Radio reported Sunday that church officials "never asked the Polish authorities" about including Gdansk in the pope's itinerary. The radio referred to the "great fuss" by some Western news organizations that the pope was not to visit Gdansk.



An Iranian woman surveying the damage caused by an earthquake in the mountains northeast of Tehran.

# 30 Killed and 61 Hurt In Iranian Earthquake

LONDON — Thirty persons were killed and 61 injured in an earthquake Friday in Iran, Tehran radio reported Sunday.

Earlier, the Iranian press agency IRNA said about 100 people had been killed in the quake, which measured 5.5 on the Richter scale.

Tehran radio, monitored in London, said only 20 of the injured needed hospital treatment after the series of tremors in the foothills of the Demavend mountain, in the Elburz chain, about 80 kilometers (50 miles) northeast of Tehran.

Most of the deaths were caused by rocks and snow that fell onto a mountain highway linking the capital with Caspian Sea provinces, the radio said, quoting Iranian officials.

Irna said that the hardest hit area was the village of Karaf, where all the mud houses were destroyed, 200 families were made homeless and four persons were killed. Quoting a deputy governor whose name was not given, the press agency said 11 villages had sustained damage and casualties "at various degrees."

The official said that of the 40 injured in Amol, 16 were hospitalized, and that avalanches killed 16 persons on the Haraz highway.

The deputy governor was quoted as saying 15 aftershocks were recorded.

# Andropov Assails U.S. Plan To Develop Missile Defense

(Continued from Page 1)

even attractive" because it "seems to be a defensive measure."

"In fact, the strategic offensive forces of the United States will continue to be developed and upgraded at full tilt and along quite a definite line at that, namely that of acquiring a first-strike nuclear capability."

"Under these conditions, the intention to secure for itself the possibility of destroying with the help of the ABM defense the corresponding systems of the other side, that is of rendering it unable to deal a retaliatory strike, is a bid to disarm the Soviet Union in the face of the U.S. nuclear threat."

When the United States and the Soviet Union embarked on arms control efforts, Mr. Andropov said, "they agreed that there is an inseparable relationship between strategic offensive and defensive weapons." He pointed out that "it was not by chance" that the Anti-Ballistic Missile Treaty of 1972 was signed "simultaneously" with the

# Israel Reaffirms Haddad Must Play Anti-PLO Role

(Continued from Page 1)

dio, Major Haddad reiterated that he was willing to step down as head of his Israeli-trained force of about 2,000 men if such a move would secure an agreement.

But he added that "the main danger existing against Lebanon is the Syrian presence and the terrorist presence in the north and in the Bekaa valley, and nobody is talking about it." By "terrorist," Major Haddad was referring to the Palestine Liberation Organization.

The Syrians and Palestinians have said they would be willing to withdraw their forces as soon as the Israelis leave.

In Beirut on Sunday, official Lebanese sources quoted by the independent newspaper L'Orient-Le Jour said that "Lebanon is willing to take into consideration Israeli views on the choice of an officer who would, if differences are resolved, command the region as long as the officer is not Major Saad Haddad."

■ **Arafat Visits Saudi King**

Yasser Arafat, chairman of the Palestine Liberation Organization, made an unexpected visit to Riyadh Sunday and conferred with King Fahd of Saudi Arabia, Reuters reported from Manama, Bahrain.

The official Saudi news agency, in announcing Mr. Arafat's visit on his way to Jordan, gave no details of the meeting. In Jordan, the PLO leader is to meet with King Hussein on U.S. peace proposals for the Middle East.

# U.S. Nun Weighs Order of Vatican

The Associated Press

LANSING, Michigan — Sister Agnes Mary Mansour, a Roman Catholic nun who directs the Michigan agency that pays for abortions, conferred with her order, the Sisters of Mercy, on Saturday after the Vatican announced that she must resign her state post.

The Reverend Basil Heiser, undersecretary of the Congregation for Religious and Secular Institutions, said in Rome that Sister Agnes Mary must resign.

Sister Agnes Mary has said that she personally opposes abortion but upholds the department policy on the ground that it is wrong to deny poor women access to an operation legally available to those who can afford it.



NUCLEAR PLANT PROTEST — Demonstrators behind barricades near Bilbao, Spain, return smoke bombs thrown by police Sunday. Officers prevented the group from reaching Lemontiz nuclear plant.

# Gandhi In-Law Starts Own Opposition Party

(Compiled by Our Staff From Dispatches)

NEW DELHI — Maneka Gandhi, the estranged daughter-in-law of Prime Minister Indira Gandhi, has launched an opposition party and named it after her deceased husband, Sanjay Gandhi.

Maneka, a former journalist, said at a news conference Saturday that the party would hold its first national convention in New Delhi on April 3, when the names of office bearers would be announced.

Predicting general elections within nine months, she said that she had formed party cells in most parts of India except Kashmir and the northeast and already had 800,000 members.

She also announced that she would fight the next elections from the North Indian constituency of Amethi now held by Mrs. Gandhi's son, Rajiv, placing herself in direct confrontation with the prime minister and her ruling Congress Party.

Rajiv, 38, is being groomed as Mrs. Gandhi's possible successor and became one of the Congress Party's five general secretaries last month.

The Amethi seat was previously held by the younger brother of Rajiv and Mrs. Gandhi's heir apparent, Sanjay, who was killed in an airplane crash in 1980. After Sanjay Gandhi's death, Mrs. Gandhi

nominated Rajiv as her party's candidate in the by-election in Amethi, which he won.

Maneka could not contest the by-election because she had not attained the minimum age of 24 required of members of Parliament. "I am sure there will be a midterm national election sometime this year and I will contest from Amethi whoever is the candidate of the ruling Congress Party," Maneka said.

Mrs. Gandhi expelled Maneka from her official home a year ago because of a family feud.

Announcing the main planks of her platform, Maneka said the party would try to mobilize the youth of the country, increase technical training, provide job creation schemes and set up what she called a rural land army to improve low-grade agricultural areas.

Maneka said that the new party Rashtriya Sanjay Manch, or the National Sanjay Platform — will work for the "establishment of a socialist, secular state operating within the framework of a truly functioning democracy."

Sanjay Gandhi was elected to Parliament from the Amethi constituency in Uttar Pradesh in the 1980 national elections which returned Mrs. Gandhi to power with a two-thirds majority.



## FBI Questions Soviet Role in Protests

Study Says Moscow Does Not Control U.S. Nuclear Freeze Movement

By Leslie Maitland  
New York Times Service

WASHINGTON — The Federal Bureau of Investigation has determined that the Soviet Union does not "directly control or manipulate" the U.S. nuclear freeze movement, according to an unclassified version of the report.

"Based on information available to us, we do not believe the Soviets have achieved a dominant role in the U.S. peace and nuclear freeze movements, or that they directly control or manipulate the movement," according to the report, which was released Friday.

In November, President Ronald

Reagan said that "foreign agents" had helped instigate the freeze movement in the United States. He said "plenty of evidence" existed that foreign agents were sent to "help create" demonstrations in favor of a nuclear weapons freeze, such as the rally held on June 12 in New York. His remarks drew criticism from organizers of the rally, from the American Civil Liberties Union and from several members of Congress.

The study, made public by Representative C.W. Bill Young, Republican of Florida, says the FBI does not believe the Soviet Union was responsible for the large turnout at that rally.

"The overwhelming majority of the nearly one million people that attended the June 12 rally were members of independent peace and civic organizations, and they attended the rally as an expression of legitimate concerns about nuclear weapons," the study says.

It adds, however, that "Soviet-controlled organizations participated at the highest levels of the June 12 Committee and exerted pressure" on it to focus on U.S., rather than on Soviet, weapons policies.

The report also says, "It is extremely difficult to determine the extent to which various peace organizations and coalitions are

being influenced or manipulated by the Soviet Union."

The report, dated March 1983, had been requested by the House Permanent Select Committee on Intelligence, according to an FBI spokesman.

Mr. Young said he had asked the bureau to declassify portions of the report "so we can share with the American people the extensive Soviet propaganda effort being undertaken within our own borders." He said, however, that the actual report was much longer than the 27-page declassified version and that "most of the very convincing material unfortunately is still classified." Mr. Young said he had asked the bureau to declassify more of it.

While assessing the Soviet role as less dominant than Mr. Reagan had suggested, the bureau's report does say that within the past two years, the Soviet Union had increased its efforts to exploit the peace movement.

According to the FBI study, Soviet intelligence has tried to develop contacts with U.S. religious figures, believing that their participation in the peace movement "lends the aura of moral legitimacy" to it.

It also charges the KGB, the Soviet secret police, with collecting information on U.S. peace activists in an effort to determine if any are "vulnerable" to being recruited.

The study says the Russians have also tried to interest U.S. labor in the peace movement by promoting the view that "increased defense spending and exploitation by multinational corporations are the main reasons for the poor economic situation in the United States."

William H. Webster, director of the FBI, testifying Friday before a Senate committee on the bureau's new guidelines for investigations involving terrorism and domestic security, said it was not investigating the peace movement. However, Mr. Webster said that under the new guidelines for counterintelligence investigations, the FBI is examining "individuals who try to influence" the movement.



ALIEN PATROL — U.S. Border Patrol agents near San Diego have been issued infrared goggles for night vision and all-terrain vehicles, and officials said the equipment has helped to halt nearly all illegal entries along that part of the border.

## Secret Study Says U.S. Could Test Laser Weapons in Space by 1993

By Patrick E. Tyler  
Washington Post Service

WASHINGTON — A classified government study completed last year criticized the pace at which the United States was funding the development of high-energy laser weapons for use in outer space and concluded that such a weapon could be ready for flight testing in 1993 with a total system price tag of \$30 billion.

The Pentagon, through its Defense Advanced Research Projects Agency, now has contracts out for all of the major components of a space-based laser system in a consortium that includes Lockheed Corp., TRW Inc. and Eastman Kodak Co.

Many components of the project are highly classified and carry exotic code names, such as Lockheed's "Talon Gold" system for optical pointing and tracking gear that enables the laser to spot and fire on pinpoint targets thousands of miles away. But many details of the laser weapon's components are known and have advanced to the engineering stage.

A low-powered version of the laser similar to the one under development by these companies destroyed an unarmed and stationary Thor nuclear missile in a still-secret Pentagon test last fall, according to knowledgeable aerospace industry and congressional sources.

Though the aged Thor was among the first U.S. nuclear missiles, later generations of missiles,

including the current fleet of Soviet liquid-fuel missiles, do not have outer skins hardened against laser attack.

In a 1978 test, a similar laser design using sophisticated tracking technology fired upon and destroyed three TOW anti-tank missiles traveling at 500 miles per hour (800 kilometers per hour), according to public Pentagon reports.

The classified study and these tests show that President Ronald Reagan's vision of an ultimate anti-ballistic missile system may not be as far away as some critics have claimed. But even aerospace industry enthusiasts acknowledge that there are formidable technical problems to be overcome if such a system is to be deployed before the next century.

And, if developed, such weapons still face the strategic and political problems posed by U.S.-Soviet treaties. They also may provoke preemptive Soviet strikes to block their deployment or countermeasures to render them ineffective, officials said.

"I think this... leads to war in space, not as an alternative to war on Earth, but as a prelude to war on Earth," said Richard L. Garwin, a physicist and longtime Pentagon weapons consultant who helped develop the hydrogen bomb.

"If I were a Russian planner," said Hans A. Bethe, one of the Manhattan Project physicists who was invited by Mr. Reagan to last

week's White House announcement, "once I saw these... lasers appear in space, I would challenge the United States and say, 'Stop doing that, and if it didn't stop, I would shoot down all those satellites. I don't see anything else that the Russians can do in that case.'"

President Reagan and his main defense and science advisers have avoided specific references to various laser weapon designs or concepts under study or development since Mr. Reagan announced Wednesday night that he would seek "the means of rendering... nuclear weapons impotent and obsolete."

The classified study was conducted by a General Accounting Office scientist as a review of the Defense Department's 1981 assessment of laser weapon projects. The GAO report is classified secret because the Pentagon data it analyzed was classified.

The Pentagon study concluded that the deployment of "moderate numbers" of chemical laser satellites with beam energies of five megawatts "would place at risk large numbers of ballistic missiles and aircraft in the current [Soviet] strategic inventory" due to their vulnerability.

The goal of the laser system that is closest to demonstration is to shoot down 1,000 Soviet missiles in the first 250 seconds of a surprise nuclear attack, according to the study.

## 6 Former U.S. Cabinet Secretaries Criticize Pace of Military Buildup

By Paul Taylor  
Washington Post Service

WASHINGTON — A bipartisan group of former cabinet officials has criticized the pace of the Reagan military buildup and said "there is no reason to believe that throwing money at defense now will achieve more satisfactory results than throwing money at social programs in the 1980s."

Overriding on the military will weaken the national economy and create a political backlash that will weaken the national security as well, the six former cabinet officers wrote Saturday in a letter to President Ronald Reagan's national security adviser, William P. Clark.

"In the present fiscal climate excessive short-term military spending can actually be harmful by undermining the political consensus required for a sustained defense buildup," said the group, which was put together by Peter G. Peterson, secretary of commerce in the Nixon administration.

"History teaches that no nation can long maintain a strong foreign policy without a strong economy. One need only look at countries whose economies have declined to

see how rapidly they have turned inward, become absorbed with protectionist measures, and faded as major forces in the world."

Five former secretaries of the Treasury joined Mr. Peterson in signing the letter: W. Michael Blumenthal, John B. Connally, C. Douglas Dillon, Henry H. Fowler and William E. Simon.

Mr. Blumenthal served under President Jimmy Carter; Mr. Connally and Mr. Simon under President Richard M. Nixon; Mr. Fowler under President Lyndon B. Johnson; and Mr. Dillon under President John F. Kennedy.

In January the same six former officials enlisted 500 business leaders and academicians in co-sponsoring full-page newspaper advertisements that called on the Reagan administration and Congress to cut \$25 billion from military spending in fiscal 1985 and \$60 billion from middle-class entitlement programs, and to enact \$60 billion in tax increases.

Middle class entitlement programs are government programs such as loan and price support plans that benefit the middle class. The advertisement, which represented a break by the nation's busi-

ness community in support for Mr. Reagan's budget policies, provoked Mr. Clark to write the six a letter last month denouncing the military spending.

The six former officials acknowledged that "none of us is an expert in the field of strategic planning or military procurement," but they listed several broad areas of military spending where they believed, after consulting with experts, that proposed expenditures had not been fully justified:

• "Questionable military missions." The letter suggested that the administration was pursuing unrealistic and expensive capabilities: to launch sea-based air attacks on Soviet ports, for example, and to prevail in a nuclear war.

• "Duplication and redundancy." Among examples the letter cited were simultaneously improving the B-52H penetrating bomber and procuring the B-1 penetrating bomber.

• "Expenditures with ill-defined purposes." The letter posed several questions: Is it necessary to have troops with ammunition stocks sufficient for 90 days of combat? Could military bases around the world be cut back?

## Swaziland Leader Is Loser in Power Struggle

Dismissal of Reformer Is Linked to Rivalries Within Royal Family

By Allister Sparks  
Washington Post Service

LOBAMBA, Swaziland — A quiet palace revolution over the past few days has removed from office the mildly reformist prime minister of Swaziland, the small, independent kingdom sandwiched between white-ruled South Africa and black radical Mozambique.

Prince Makhosetive Dlamini, who was specially chosen for the job three years ago by the aging King Sobhuza II, was dismissed March 21 on orders from Queen Regent Dzelwe just seven months after King Sobhuza's death.

He was replaced on March 23 by another member of the dominant Dlamini clan, Prince Bhekimphe, who is more of a traditionalist.

[South African Foreign Minister R.F. Botha announced Saturday that Prince Makhosetive has arrived in South Africa "to think about his future." United Press International reported from Johannesburg.

[Mr. Botha said in a television interview that Prince Makhosetive and his family arrived in South Africa in the past few days but added, "We have nothing to do with him and he is here to visit."

The upheaval has caused speculation here that South Africa may have had a hand in the palace revolt, but well-placed local and diplomatic sources say there is no evidence to support that theory.

As one Western diplomat put it: "This all happened in the inner recesses of the royal family and the lines of power there are so complicated not even many Swazis understand them properly. I don't think the South Africans could have pulled off anything even if they had wanted to."

The suspicions of South African involvement stem in part from Swaziland's strategic position and also from frequent claims by Preto-

ria that the country is used as a conduit for insurgents of the African National Congress based in Mozambique.

Another factor is that Prince Makhosetive was the one member of the Swaziland government who was conspicuously cool to South Africa's attempt last year to hand over tribal land to Swaziland. Such an action would have furthered Pretoria's policy of declaring tribal lands independent in order to turn more of its own blacks into statutory foreigners.

The plan was stymied by black South African leaders who successfully challenged it in the courts and by King Sobhuza's death. Sources here, however, say that the group that plotted Prince Makhosetive's downfall is eager to see the land agreement revived.

So is Prince Bhekimphe, though local sources say he was not among the original conspirators.

Despite the rumors, the removal of Prince Makhosetive appears to have been the result of a power struggle with little outside involvement or even ideological content.

The dismissal came as a surprise not only to him but to most Swazis. Only a week before, he had appeared to be winning against his enemies on the Supreme National Council, or Liqoqo, a repository of tribal traditionalism that had grown into a rival government after King Sobhuza's death.

Queen Regent Dzelwe summoned Swaziland's 400 chiefs to her royal cattle corral at Lobamba on March 15 to make clear her support for Prince Makhosetive.

But over the next 48 hours heavy pressure apparently was brought to bear on the queen regent to change her mind.

George Msihi, a powerful member of the Liqoqo and one of Prince Makhosetive's opponents, said

in an interview that on the morning of March 17 other members of the royal family called on the queen regent.

"They asked her to explain certain things about the procedure she had followed at the meeting on the 15th," Mr. Msihi said. "I don't think they threatened her. I don't think it came to that."

But by that evening she had agreed to sign the dismissal order.

Throughout his 61-year reign, King Sobhuza tried to reconcile his deep attachment to Swazi tradition with his awareness that his backward country needed to catch up with the rest of the world.

He tried to synthesize the two ideas, playing both modern and traditional roles. Sometimes he appeared at functions wearing animal skins and feathers and at other times in a field marshal's uniform with gold epaulettes.

In the last three years of his life, King Sobhuza did two things that he apparently thought would help continue this synthesis after his death.

One was to reconstitute the 17-member Liqoqo and greatly increase its powers. The other was to pick Prince Makhosetive as prime minister.

Prince Makhosetive, then in his mid-40s, had not had a day's experience in politics. He had a degree in commerce from a South African university and was the successful managing director of a large sugar estate.

What King Sobhuza had in mind, local political analysts speculate, is that the Liqoqo should become the policy-making body after his death, ensuring the continuation of traditionalist policies. At the same time, the analysts say, there would be a modern and efficient prime minister to carry out the programs.

Prince Makhosetive, however, started becoming his own man.

The traditional restraints reportedly irked him. Insiders say he began clashing with the king. He appointed a commission to investigate corruption, which alarmed several members of the Liqoqo. The king disbanded the commission.

After King Sobhuza's death, the political vacuum was made greater by the complicated and lengthy succession procedure.

The selection job fell to the Liqoqo, which is believed to have made its choice but not yet announced it. The word among foreigners is that he is an 11-year-old named either Prince Makhosetive or Makhosetive.

He is said to have been sent to Britain with his mother to be educated and will be officially named only when his schooling is finished. Meanwhile, the queen regent continued to rule.

In this vacuum situation both Mr. Makhosetive and the Liqoqo moved to increase their authority and virtually became rival governments.

Mr. Makhosetive won most of the early rounds, mainly because of the support of the queen regent and the police force. He dismissed a key member of the Liqoqo, Prince Polycarp Dlamini, from his cabinet.

On February 15 he suspended parliament and began ruling by decree, claiming there had been an attempted coup against him. He ordered the arrest for sedition of two royal members of the Liqoqo.

Then the tide began to turn. The queen regent reinstated Prince Polycarp. Finally there was the queen regent's change of mind after the March 17 visit by the other members of the royal family.

## Mugabe Vows to Crush Rebels Loyal to Nkomo

By Joseph Lelyveld  
New York Times Service

HARARE, Zimbabwe — Prime Minister Robert Mugabe, speaking in the same stadium where he made a speech on national reconciliation when independence was achieved nearly three years ago, has vowed to "fight and fight" until armed resistance from partisans of his exiled rival, Joshua Nkomo, is eliminated.

More than 30,000 of the prime minister's supporters packed the stadium Saturday for what turned out to be the biggest rally Mr. Mugabe has addressed in the capital since Zimbabwe, formerly Rhodesia, attained nationhood in April 1980.

Mr. Mugabe also gave his most complete statement yet on the troubles in Matabeleland, in southwestern Zimbabwe, where the government has been seeking to quell former guerrillas who fought with Mr. Nkomo in the civil war against the white minority government. The government describes them as "disidents."

The speech was at once defensive in tone and uncompromising. Mr. Mugabe virtually dashed lingering hopes for renewed attempts at a political reconciliation with Mr. Nkomo's party, the Zim-

babwe African People's Union, or ZAPU.

Mr. Nkomo fled into exile earlier this month and is now in London. "It does not pay us to engage in talks," Mr. Mugabe said, alleging that the organized remnant of Mr. Nkomo's party "sponsors dissidents and encourages them to commit robberies, rapes, kidnappings and assassinations."

### France Convicts 2 Car Collectors

MULTHOUSE, France — Two Swiss industrialists have been convicted and sentenced to prison for diverting about 40 million francs (\$5.6 million) from their textile companies to build up one of the world's leading private collections of vintage automobiles.

Hans and Fritz Schlumpf received two-year and four-year terms, respectively. A court in this town near the Swiss border found them "guilty of using the assets and credit of five of their companies in a way they knew to be against the interests" of the companies. They were sentenced in absentia, having fled to Switzerland six years ago.

"The time will certainly come," he said, "when my government will have to take firm action against ZAPU."

Mr. Mugabe's comments were enthusiastically received by his supporters, who carried signs calling for the banning of Mr. Nkomo's party and the creation of a one-party state.

The prime minister repeated previous statements that Mr. Nkomo, who crossed into Botswana after his passport was confiscated before going to London, was free to return to Zimbabwe and that his physical safety would be guaranteed.

But he offered no assurances that he would not face prosecution on various minor charges.

Mr. Mugabe then blamed the conflict in Matabeleland on Mr. Nkomo.

The only issue, he insisted, was Mr. Nkomo's refusal to accept the democratic verdict of the voters three years ago.

"It's a war based on the fact that Joshua Nkomo is not in government," he said. "This country can not go to war because one individual has not been given the status of prime minister."

Mr. Mugabe seemed especially upset by the impression being conveyed abroad in news reports that

his party, the Zimbabwe African National Union, was a tribal party fighting a tribal war against a minority. Government forces have been accused of killing hundreds of unarmed Ndebele-speaking civilians in Matabeleland. The area is the homeland of the Ndebele people, who support Mr. Nkomo.

"My government will never, never allow itself to fight a tribal war," he said. "But as long as dissidents come from a particular part of the country, we will send troops to that area."

Reporter's Notebooks Seized  
A British journalist says the Zimbabwe police have seized his passport, camera, tape-recorder and notebooks and searched his hotel room. The Associated Press reported from Harare.

"They said I was under investigation but not under arrest," said David Blundy, Middle East correspondent for the Sunday Times of London. "I really don't know what it's all about."

Mr. Blundy said four policemen visited his room on Saturday, two days after Nick Worrall, a British free-lance journalist, was ordered to leave the country by the end of the month. Information Minister Nathan Shamuyarira has called his reports "gross distortions."

## Haiti Is Said To Shop for New Arms

By Marlice Simons  
New York Times Service

PORT-AU-PRINCE, Haiti — The Haitian government, apparently worried by a growing militancy on the part of elite groups in the United States, has begun shopping for new armaments, including aircraft.

Diplomats say these opposition groups are deeply divided and do not seem to pose any immediate threat to the government of President Jean-Claude Duvalier. But the regime's response to recent elite attacks, the diplomats say, has demonstrated that Haitian security forces are deficient in organization and preparedness.

The United States, although alarmed by the prospect of a new point of instability in the troubled Caribbean region, has shown reluctance to provide the Duvalier government with new weaponry, apparently fearing opposition in Congress over what legislators describe as a lack of political freedom here. Last year, U.S. military aid to Haiti amounted to only \$475,000 for spare parts, tugboats and training.

As a result, Haiti has looked elsewhere — notably in Western Europe and Latin America — for arms, vehicles and aircraft. But it has reportedly placed no major orders so far, being unable, it is said, to pay cash or raise credits.

Only Israel, according to one diplomat here, "has been helpful and has offered some of the favorable terms, the long-term credits, the Haitians want."

One delivery of Israeli-made Uzi submachine guns was made two years ago. A second shipment of Uzis was reportedly held up unexpectedly at a European transshipment point in February.

Haiti is also seeking to modernize its air force, which is said to consist of 34 planes and fewer than six helicopters.

In search of new aircraft, Foreign Minister Jean-Robert Estime visited Argentina and Brazil last October, but reportedly neither country was willing to provide the planes on the terms that Haiti sought.

To the relief of the government, the more than one dozen exile groups, based in New York, Miami, the Dominican Republic and Venezuela, are themselves poorly equipped and have made no noticeable progress in their many destabilization attempts. A senior official said exile groups had tried unsuccessfully to invade the country for 20 years.

Diplomats pointed out, however, that several exiles were able to land undetected near the capital last July and, after staying for one night, blocked traffic on a main road where a plane landed and picked them up.

Several recent bombing incidents in the capital, the government believes, are linked to exile groups.



# Herald Tribune

Published With The New York Times and The Washington Post

## A Space-Age Shield?

President Reagan's desire for a missile-proof shield around America and its allies expresses the deepest longing of the nuclear age—for a place to hide. But it is a pipe dream, a projection of fantasy into policy.

A space-age shield, if stretched from the Sea of Japan to the Berlin Wall and made almost foolproof, might indeed relieve Americans of a cosmic burden and allow them to stop relying on the doomsday machine for defense. And if, at that point, technology could be frozen, to prevent a quest for weapons that could penetrate the shield, the world of the 21st century might indeed find a way to end the terrifying arms race of the 20th.

"What if," the president dared to wonder: What if America retrieved the old invulnerability and could live securely without having to threaten barbaric retaliation? What if this "formidable technical task" could be accomplished in a few decades? What if we poured in "every investment necessary to free the world from the threat of nuclear war?"

Presidents have a duty to ask such questions. What they should not do, without a firmer scientific basis and political examination, is what Mr. Reagan has now done: proclaim a farfetched quest in the settled, high-priority intention of the United States.

Mr. Reagan did not merely urge science on, to see where it might lead; he prejudged the merits of a historic shift in the nuclear arms race, from offensive to defensive weapons. He did not raise the idea merely to warn the Soviets about the costly new competitions their vigorous missile programs might invite; he challenged them to this Star Wars competition even if in the meantime they accept his proposals for deep cuts in weaponry. Decades before anyone can know whether a missile-killing defense is doable, the president casually pronounces it highly desirable.

Perhaps Mr. Reagan has secret knowledge about the high-energy lasers, charged particle beams and microwave devices with which dreamers hope to attack onrushing missiles.

Even if the physics is theoretically sound, that's a far cry from a workable system, managed from scores of vulnerable satellites. Anything less than a foolproof system would be worse than useless; nuclear weapons are so destructive that keeping out all but a few dozen cannot safely be deemed tolerable.

It is this disparity between any nuclear offense and defense that leaves most scientists skeptical about Mr. Reagan's dream. They think the offense will always have the edge.

But even if a foolproof defense were someday possible, it would not automatically be desirable. Until completely built, it would have to coexist with powerful offensive weapons; and, as someone aptly wrote into the president's speech, a defense paired with offensive weapons "can be viewed as fostering an aggressive policy and no one wants that."

The long interim years of defense deployments would be dangerously unstable, and put a premium on barter, feigned attacks to probe for weak spots and costly countermeasures. That is why Richard Nixon persuaded Moscow to ban anti-missile missiles a decade ago, permitting only the research Mr. Reagan wants greatly expanded.

If either side were making progress in that research, a prudent response would be calm assessment of the obvious risks and benefits of a radical shift in strategy away from deterrence. On reflection, other administration officials seem now to be saying that is all the president really meant to do.

But more reassurance will be needed, to discourage a panicked reaction in Soviet laboratories and in reassured allies who already suspect that an America vulnerable to nuclear attack will never risk all in their defense. The threat of devastating retaliation is an awesome cloud over all diplomacy. But, as the president also observed, it has worked to prevent nuclear war for four decades.

Mankind yearns for a better idea, but there is no statesmanship in science fiction.

—THE NEW YORK TIMES

## Raids on Nicaragua

The Nicaraguan government says its enemies on the right, inspired and supported by the United States, are pressing a military campaign from sanctuaries in Honduras and Costa Rica. The quotient of truth in the allegations is hard to establish, but let us grant that something is happening. Whose side should the United States be on?

Instinctively many Americans will go with the guerrillas. By their repressive tactics, their refusal to move toward early elections and their expanding ties with Havana and Moscow the Sandinistas have dispirited much of the legitimacy they could claim upon winning power. They are helping sustain the insurgency in El Salvador and supporting guerrilla activities in Honduras and even in Costa Rica, which has no army. It serves no U.S. purpose to see Marxist power ensconced in Managua.

However, the urge to see the Sandinistas get a counterbalance does not mean Americans should administer one. The United States is apparently providing covert support for some of the "contras" in Nicaragua. This is wrong.

Such is the history of U.S. intervention that any further hint of it helps strengthen the Sandinistas' claim to be embattled nationalists, and helps them tighten their grip. The suspected presence of former Somoza followers among

the attackers allows the Sandinistas to tar all of their opponents, including the democrats, with the Somoza brush. A cynic might argue that these costs are modest when set against the hoped-for benefits of dislodging the Sandinistas, but the scope of the raids seems to be insufficient for that end.

Another kind of damage is done to diplomacy. Its prospects in the region depend in critical measure on working in tandem with Latin governments whose proclivities and policies put real limits on the kinds of cooperation they can extend to Washington. The Latin belief that Washington is behind the raids into Nicaragua works against the administration's otherwise worthy effort to enlist Latin governments in resolving regional tensions.

This is critical. Like El Salvador's rulers, Nicaragua's rulers hold power by force against military and political challengers, and should be under pressure to move to an ultimate democratic political solution—and to respect their neighbors. But all pressures are not equal. Latins are not going to rally behind any policy whose cutting edge is a CIA-backed intervention. Would they rally if the CIA were somehow subordinated to the mix? There is no guarantee, but it would be a better risk.

—THE WASHINGTON POST

## Other Opinion

### 'Rerun of the Bay of Pigs'

There is evidence [in Nicaragua] of tightening repression, of political and religious intolerance and of the growth of a totalitarian system reminiscent of Cuba or the Soviet Union. These sinister developments are hardly a prospect to please President Reagan, but with that unerring talent for considering all the options in Central America and then picking the worst, his administration seems to have decided on a rerun of the Bay of Pigs.

The policy that led to defeat and humiliation in Cuba has been dusted off and redirected toward Nicaragua. Substantial American support has been given to the former National Guardsmen, the so-called *Somocistas*, an unpleasant bunch who stand little chance of winning Nicaraguan hearts and minds. There was an alternative—Edén Pastora, a disenchanted Sandinista who has assembled his own small army inside Costa Rica, on Nicaragua's southern border. But it seems that Pastora strikes too independent and radical a note.

American policy is depressing and self-defeating. It has always supported unpleasant regimes in Central America and does so still. Hopes that the arrival of George Shultz as secretary of state would lead to a more coolheaded

approach have been dashed. American policy as it stands faces the people of El Salvador, Nicaragua and Guatemala with an impossible choice: between right-wing dictatorship and left-wing totalitarianism. It is never easy for great powers to get on happily with small neighbors, but the United States ought to be able to do better than this.

—The Observer (London)

### Perplexed by Reagan Beams

If the United States actually embarks on an all-out quest for an effective ABM system aimed at making offensive nuclear missiles obsolete, it will be a profound shift in defense strategy—a shift that many experts believe is impractical or unwise. So it is strange that the president tossed in the announcement near the end of a television appeal for public support against cuts in his defense budget.

The administration, in the circumstances, should not be surprised if a lot of people wonder whether his proposal is a gimmick designed to distract attention from the nuclear freeze proposal now before Congress, or to provide a face-saving rationale for backing away from the MX missile project.

—The Los Angeles Times



## Space: 'A New Cycle in the Arms Race'

By Anthony Lewis

BOSTON — "A vision of the future which offers hope," President Reagan called it. He foresaw space devices that would "intercept and destroy strategic ballistic missiles before they reached our own soil."

Instead of relying on the fear of retaliation to deter a Soviet nuclear attack, America would be safe behind a technological shield. "Would it not be better in save lives than to avenge them?" the president asked. "Is it not worth every investment necessary to free the world from the threat of nuclear war? We know it is!"

The vision is so reassuring that it seems a shame to spoil it with facts. But Mr. Reagan's talk of missile defenses in space is fantasy—wishful technology and muddled strategy.

It is a dangerous fantasy, because it distracts attention from the hard realities of the arms race. Far from ending the threat of nuclear war, it introduces new threats.

Mr. Reagan's advisers, seeming embarrassed by his enthusiasm, told reporters he was speaking of ideas many years from the possibility of development. But the technical problems are not only a matter of time, explained one of the most respected scientific figures in the field of nuclear arms control, Jerome B. Wiesner, former president of the Massachusetts Institute of Technology and adviser to presidents.

"Most technical people doubt that anti-missile devices in space will work," Mr. Wiesner said. "But even if they do, it's wishful thinking to believe they would provide impenetrable defenses. There are 10,000 or more nuclear weapons on each side. A defense system that would knock out 90 or 95 percent would be a miracle—and

the remaining 5 or 10 percent would be enough to totally destroy civilization."

"Even if you could make an anti-ballistic missile system, cruise missiles would make it obsolete. The idea is to hit ballistic missiles high in the atmosphere or in outer space—Buck Rogers warfare. But the cruise flies at low levels. You'd have to develop an air defense system against it, which we don't know how to do. And in the air defense game, the Soviet Union has important advantages. So many of our cities are on the coast and hence more vulnerable than theirs, which are mainly inland. That's one of the reasons we abandoned the idea long ago."

Loose talk about wonder weapons in space reflects an illusion that has burned American society before now. That is the belief that the Russians cannot match American technology.

The Johnson and Nixon administrations went ahead on MIRVs in just such a belief. Henry Kissinger, writing recently in Time, conceded that he and others had doubted the Russians' ability to make multi-headed missiles accurate enough to threaten America's. But they did, and the net effect of the MIRV race was to make the United States feel more vulnerable.

It would have no patent on anti-missile weapons in space either. If we plan an intensive research and development program, as Mr. Reagan ordered, the Russians will, too. Mr. Wiesner put it in one blunt sentence: "It's really a declaration of a new cycle in the arms race."

Weapons that have not yet been developed are

the very ones that ought to be outlawed by treaty—because it is far easier to negotiate agreements before a race has started. Difficulty sets in once each side fears that the other is ahead.

The illusion that one of the superpowers is on the way in making itself invulnerable is particularly dangerous. At some point in the future it may encourage a reckless leader to risk using nuclear weapons—or the other side to strike first, before it is too late.

Futuristic weapons have already been prohibited in two treaties: one against nuclear weapons in space, the other concerning the bottom of the sea. And in fact the Soviet Union in 1981 proposed a treaty to ban "weapons of any kind in outer space." Is the United States now going to be in the position of pushing that new arms race while the Russians offer to stop it?

There is no doubt a political point in Mr. Reagan's talk of stopping the missiles in space. It gives Americans the idea that we can assure ourselves peace and safety if only we go on increasing our military expenditure and developing new weapons systems. It is an argument against the proposal for a mutual freeze on testing and deployment of new nuclear weapons.

But what a feeble argument it is, repeating the folly that has brought us to the point of massive overkill on both sides. The only hope of reducing that danger is the hard way of negotiation: to stop new systems, not add them, and if possible to cut the numbers of existing weapons.

Arms control negotiations are of grinding difficulty at best. They require a certain minimum confidence on each side that the other is serious.

The New York Times

## Space: A Rain of Odd Objects Has Started

By Jacques-Yves Cousteau

NEW YORK — The French commonly assert that their gallant ancestors the Gauls feared only one thing: that the sky might fall on their heads. Recently the entire world shared that fear.

The Russian military satellite Cosmos 1,402 was about to follow the fate of Newton's apple. It was a highly radioactive apple. Its seeds powered a reactor that contained enough uranium to make several nuclear bombs.

The world over, the headlines of printed and broadcast news reported two contradictory official themes: that the man-made atomic meteorite would pose no danger whatsoever and, at the same time, that heavy emergency steps were being taken in many countries.

When the contraption finally tumbled into the Indian Ocean the sheep of the world were told to sigh in relief, as the dreaded projectile would ionize only the fish.

This was a tale of the absurd.

In January 1978 a similar satellite, Cosmos 954, scattered its ra-

dioactive debris in northern Canada, and millions of dollars were spent to locate and transfer some of the fragments to nuclear dumping sites. One month later the uranium fuel core burned up from friction during re-entry into the atmosphere. The same fate befell Cosmos 1,402, with the solace that the irradiating hardware sank out of mind into the universal sewer—the sea.

The pusillanimity with which these events are reported to the public is sickening. Every time a nuclear accident occurs — be it the blimp of a graphite reactor at Marcoule, France, European dumpings of atomic waste in the Atlantic, Three Mile Island, or Cosmos satellites — even before anybody has any idea of the consequences, technicians announce *uri et orbi* that there is absolutely no danger.

The public has to be reassured. Even if blatant lies have to be told, "Little murders" are perpetrated in secret and revealed only when it

is too late to do anything other than bury the consequences. The atomic mafia has such contempt for the credulity of the people that it even dares announce that we can survive and win a nuclear war. But each side has piled up many times more megatons than are necessary to eradicate all life on the planet.

Let us return to our 8,000-pound vagabond bomb. I feel no relief that it ended up in the sea, no comfort that its 110 pounds of enriched uranium dispersed in the atmosphere like a shooting star.

From 1978 to 1983 front-page news jumped from Cosmos 954 to Cosmos 1,402. Where are the 448 Cosmoses in between? How many of them are radioactive?

Most of the 6,000 to 7,000 satellites that spin over our heads are military satellites, made and fired in total secrecy. We do not know how they are powered, what lethal loads they may carry — maybe real bombs? maybe nerve gas? maybe

viruses to be spread over the enemy at the touch of a button? or only harmless hardware? No one says.

The power systems and scientific instruments of civilian satellites are described in detail. If one is manned, the private lives of the crew belong to the public domain. There are relatively few such events, compared with the lavish confidential fireworks of the military.

The military's mysterious tectonics go up at the rate of about one a day. All will ultimately fall — logically at the rate of about one a day. A rain of odd objects has started.

Many will be vaporized in our thin atmosphere. Two-thirds of the heavier ones will pile up as garbage at the bottom of the sea. The remainder will shower us with their unrevealed cargo.

From now on, we, just like the ancient Gauls, will fear that the sky may fall on our heads.

The writer, the noted French oceanographer, contributed this comment to The New York Times.

## Famine and Theft in Ethiopia as Europe Fussed

By Colin Legum

LONDON — A five-month-long spat between the European Parliament and the European Commission over a proposal to suspend all food aid to Ethiopia has been temporarily halted because of the drought that threatens the lives of an estimated 3 million people in the area.

The angry conflict abated when the commissioner for development and aid, France's Edgar Pisani, offered what was accepted as an apology for what was admitted to be a gauche reply from him in the European Parliament's request last November that food aid to Ethiopia be suspended because of reports of misuse of European food relief and the alleged aggression by the Ethiopian Army against Somalia last August.

Mr. Pisani had replied curtly that he intended to take no notice of the request, suggesting that it came from people dealing with matters which they did not understand.

This remark gave offense not only to the Parliament's Economic Committee, which had initiated the proposal for a food ban, but also to the Political Committee, which had carried out a long study of the problems in the Horn of Africa.

Members of the European Parliament want assurances that food received by the regime of Mengistu Haile Mariam reaches the people in the regions of Tigre, Welo and Gondar, where an estimated 200,000 starved to death in the last great famine in the 1960s.

Mr. Pisani has now promised an early inquiry into the way European food aid is distributed in Ethiopia. Replied Adam Ferguson, a British member of the Political Committee: "In a dire emergency such as that

now facing Ethiopia, we naturally don't want to stand in the way of food getting into the country, but we would still like to see, as soon as possible, that famine relief is handled by trustworthy organizations."

According to information received by the Economic Committee, the misuse of food aid goes far beyond the usual complaints about supplies going astray or rotting in warehouses, or about thieving by unscrupulous individuals. Senior relief agency officials in Addis Ababa say that only a very small proportion of food aid goes to peasant cooperatives and that even less reaches relief agencies in the famine areas.

Relief officials claim that of the 17,500 tons of cereals and 18,000 tons of wheat received by Ethiopia from the EC in 1981, none was distributed for relief.

Other major suppliers of food aid in the famine-hit area are the United States, Australia and Canada.

Most aid is offloaded at the Red Sea port of Assab. That area is controlled by the military, so there is no independent supervision of what happens to the supplies.

The food is supposed to be handed over to the nation's Agricultural Marketing Corp., but relief officials say most never leaves the port.

A large proportion is said to be loaded onto ships bound for the Soviet Union, in partial payment for Soviet weapons. The allegation is hard to substantiate but widely believed. Without independent supervision, it will continue to circulate.

Some of the food aid is known to be commandeered at the port by the

army for its own use. Some of the rest ends up on the black market.

A proper independent inquiry could clear up some of the confusion about what happens to the sorely needed food aid.

Because of a shortage of trucks, the army sometimes conscripts vehicles belonging to relief agencies. These are sent delivering food to garages around the country, which might explain some of the suspicion about the misuse of food aid.

The food that finds its way to the

black market is often left in the containers in which it arrives — except in Addis Ababa, where black marketeers are more careful.

Such food as reaches the rural co-operatives is often rationed or auctioned off, and does not necessarily find its way to the hungry poor.

According to one report considered by the Economic Committee, Ethiopia is able to produce enough food from the areas unaffected by drought to meet its own needs, but marketing, storage and transport failures prevent effective distribution.

International Herald Tribune

## LETTERS TO THE EDITOR

### El Salvador's Fate

Regarding the editorial "Salvadoran Dialogue" (IHT, March 14):

When The New York Times calls for an "attainable goal" after putting the issue into a Vietnam context, doesn't it really mean abandoning El Salvador to its fate, the way the United States did with Nicaragua after "dialogue" with the Sandinists? Does the Times think the Salvadorans will end up any better off than the Vietnamese, or the Nicaraguans?

The editorial says the pope "calls for a dialogue between government and opposition." This is tricky paraphrasing of the pope's words, creating the impression that he advocates negotiations with the terrorists. The pope advocates no such thing.

The editorial says "power sharing of some kind could yet resolve what violence cannot." Arrant nonsense.

JOHN S. MASON Jr.  
Madrid

### Japanese Imports

In your Special Report on Japan (IHT, March 21), under "Basic Data," the percentage breakdown of Japanese exports by geographical area adds up, but the imports breakdown totals only 86.9 percent. Small wonder the Japanese are such dangerous competitors: They don't even import 100 percent of their imports.

Seriously, though, the figure for imports from the Middle East is way off. Something is awry.

ANDRE SELLIER  
Neuilly-sur-Seine, France

Indeed, a production mishap mangled the imports breakdown, which should read (in percentages): North America 20.8, Southeast Asia 22.3, Western Europe 8.1, Middle East 29.8, Latin America 4.7, Communist bloc 5.4, Africa 1.7, Australia, New Zealand, South Africa 7.0.

More letters, Page 5.

Los Angeles Times

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مكتبة النحل



## Member of Junta Accuses Reagan Of Trying to Overthrow Sandinists

By Alan Riding  
New York Times Service

MANAGUA — A member of Nicaragua's junta says his government had been convinced by the stepped-up attacks of rebel bands that the Reagan administration has decided to seek the overthrow of the Sandinist government.

The junta member, Sergio Ramirez Morado, charged that Washington was using former national guardsmen of the ousted regime of Anastasio Somoza to launch what he called "terrorist attacks." He also accused the United States of seeking to isolate Nicaragua politically and weaken its economy.

In the first interview given by a senior member of the government since reports of a major escalation in the conflict in Nicaragua began to appear earlier this month, Mr. Ramirez sought to dismiss the strength of the military opposition.

"If it were only a question of defeating the national guard, we could do it easily," he said. "But Reagan won't stop at that. He would use different methods to try to overthrow us."

Mr. Ramirez also warned that the latest rebel offensive threatened the survival of political pluralism in Nicaragua because some conservative business and political groups had shown sympathy for the insurgents.

"Here we're in war," he said. "In face of the invasion of the national guard, we won't accept neutrals. Either you're against the guard or you're for it. We can't accept disguised support for the counterrevolutionaries, be it religious, political or whatever."

Mr. Ramirez described the Bay of Pigs invasion of Cuba in April 1961 as "a toy" compared with the attacks on Nicaragua in recent months.

"In the Bay of Pigs, only 1,200 men were involved and they came by sea, which was more difficult," he explained. "Here we have at least 2,000 men in the country and they have all of Central America as a support base."

But he said the Reagan administration was "stupid" in thinking it could use remnants of the national guard to undermine the Sandinists because the population now felt it was confronting its "old enemy."

"Reagan may have thought that, by putting 4,000 or 5,000 guards-

men into Nicaragua, he could erode our power," Mr. Ramirez said. "After all, we had a smaller, less-equipped army and we overthrew Somoza. But the analysis is wrong. Even 10,000 guardsmen would not threaten us so long as the population did not support the guard. And this won't happen because the people are seeing that the guard is behaving as it always did."

He said the CIA's strategy included using the former Sandinist commander, Eden Pastora, as a "reserve card" to be played "once they have broken the balance of power here and need a more respectable figurehead."

Mr. Pastora, who has lived in exile in Costa Rica for the last year, is rumored to have entered Nicaragua secretly last week.

Mr. Ramirez, one of three junta members who share power with a nine-man Sandinist National Directorate, said Washington was eager to legitimize the rebel force by propagating the idea that its actions are part of a popular insurrection.

"Perhaps in this way the Reagan administration can equate the situation in Nicaragua and El Salvador and seek joint negotiations," he said. "We favor settlements of conflicts in the region, but we're being forced into confrontation."

Mr. Ramirez said the Sandinist government was particularly alarmed by the Reagan administration's recent description of Nicaragua as a threat to the United States.

"This is very dangerous," he said. "You've got word reports going around that the Soviet Union is to put SS-20 missiles in here, you have Reagan showing aerial photographs of the airport here and identifying three helicopters as evidence of a Soviet arms buildup."

He said he reads the speeches of President Ronald Reagan and Secretary of State George P. Shultz very carefully.

"I get the texts sent over from the U.S. Embassy so I can read them in full," he said. "And they're blunder every day. If this line is maintained and other sectors in the United States remain on the defensive, this could easily lead to a direct military intervention."

But in the meantime, Mr. Ramirez said, Washington has drawn up a three-pronged strategy intended to isolate Nicaragua: first

by convincing the U.S. Congress and public that Nicaragua has become a security threat, second by persuading West European governments to withdraw support for the Sandinists and third by isolating the country within Central America.

He said the Reagan administration had also tried to squeeze the Nicaraguan economy by suspending economic aid in 1981, by blocking new World Bank loans and by placing obstacles in the way of Nicaraguan efforts to import spare parts for U.S.-made computers.

Mr. Ramirez also accused Washington of pressuring numerous U.S. banks to withhold \$28 million worth of export credit promised last December.

"We played straight with the banks," he said. "We've made extraordinary efforts to maintain our interest payments, but we're disappointed by the lack of seriousness of the banks. We need credit to keep exporting and without exports we can't pay off our debts."

■ **Honduras Denies Charge**  
The Honduran Foreign Ministry denied Friday Nicaraguan charges that Honduran troops had crossed into Nicaragua in recent days. The New York Times reported from Tegucigalpa.

Juan Serra Fonseca, spokesman for Foreign Minister Edgardo Paz Barmica, said the Nicaraguan government had tried to provoke a Honduran incursion by moving 20 truckloads of soldiers to strategic positions near the border.

"The government of Honduras has no plans to send reinforcements to the border area," he said. "We are continuing to seek resolution of this matter through purely diplomatic channels."

A military source close to the Honduran Army said there were normally about 450 soldiers guarding the 475-mile (750-kilometer) border with Nicaragua and that there was no indication the number had been increased in the last week.

After an eight-hour meeting Thursday of the Honduran National Security Council, which includes the nation's top military and civilian leaders, Mr. Paz Barmica said Honduras was ready to defend the territorial integrity and sovereignty of the country.



FLOODING IN PERU — At Rio Seco, near Lima, President Fernando Belaunde Terry of Peru inspected damage caused by flooding and mudslides that have taken nearly 200 lives and caused \$200 million in damage. He appealed for international aid for thousands of Peruvians left homeless by torrential rains in the Andes.

## Salvador Detains 2 U.S. Reporters Both Accused of Rebel Ties; No Charges Are Filed

Compiled by Our Staff From Dispatches  
SAN SALVADOR — Two U.S. journalists have been detained by Salvadoran police and accused of having ties with leftist guerrillas, police officials said.

Joan Ambrose Newton, 32, of San Francisco, a reporter for NBC Radio, the British Broadcasting Corp. and The Guardian, was under house arrest at the home of a U.S. military officer.

Thomas J. Western, 32, of St. Paul, Minnesota, a freelance reporter for The Associated Press Radio and Pacific News Service, was being held at the treasury police headquarters. Both were detained Saturday.

A police spokesman said Saturday, "There is proof the two had relations with the subversives and handled forbidden material."

Under the state of siege now in effect, they can be held for up to 15 days without being charged with a crime.

Miss Newton said she was placed under house arrest while officials investigated her activities. Two treasury policemen were stationed at the U.S. adviser's home to keep her from leaving, she said.

No charges have been filed against them, she said.

In Washington, a State Department spokesman said the U.S. Embassy was trying to determine why the two journalists had been detained. The spokesman said U.S. officials would continue to have access to them.

Mr. Western, who has been in El Salvador for about three months, said a man dressed in civilian clothes came to his apartment looking for someone called Juan.

When the man was told that no one named Juan lived there, he left. He returned five minutes later with two other men, also dressed in civilian clothes, and asked for the identification papers of Mr. Western and Miss Newton, who was also at the apartment.

Miss Newton, who has worked in El Salvador for more than a year, telephoned Donald Hamilton, a press officer at the U.S. Embassy, who arrived at the apartment minutes later with the head of the U.S. Military Group, Colonel John Waghelestein.

The three men who had come to the apartment were treasury policemen who said they were under or-

ders to pick up the two journalists. But they had no current identification, according to U.S. accounts, so Colonel Waghelestein called the head of the treasury police, who said he wanted to interview the two about a call made from Mr. Western's telephone.

Miss Newton said the phone call apparently was 75 minutes of dictation from Mr. Western to a newspaper in San Diego, California, earlier this month, which the police apparently believed contained questionable political material. She did not name the newspaper.

Miss Newton said she was at the apartment to edit tapes. She said she was informed that she, too, was under suspicion. She said the police searched Mr. Western's apartment for possible evidence.

Under martial law legislation that has been in effect since March 1980, suspects can be held for up to 15 days without formal charges. In practice, human rights groups say, detentions are sometimes longer.

"We will attempt to ensure they have every right respected," a U.S. Embassy spokesman said. "But we cannot lodge a protest unless a law has been broken."

## U.S. Debates Morality Of El Salvador Policy

By Bernard Gwertzman  
New York Times Service

WASHINGTON — This capital continues to be caught up in the moral dilemma over El Salvador: Should the United States provide political, economic and military support to a leadership whose record in legal and civil rights practices is, in Secretary of State George P. Shultz's words, "indefensible?"

The specific current issue, unresolved at the end of last week, was whether Congress would approve

another \$60 million in military aid to be diverted to El Salvador, adding to the \$1 billion in economic and military assistance already furnished there over the last several years. The arguments raised are similar to those heard in the past about U.S. backing for various regimes in South Vietnam, for the Franco government of Spain, for the military rulers of South Korea and for dozens of other dictatorships whose claim to American friendship was based primarily on their opposition to communism.

As the Senate Appropriations subcommittee took testimony last week, it was evident that history teaches different lessons. Senator Daniel K. Inouye, a Hawaii Democrat, who announced his decision to end his support of open-ended funding for El Salvador, warned Mr. Shultz that by aiding the regime in El Salvador because it was anti-communist, the United States was repeating the mistakes of the 1950s when it supported Fulgencio Batista, the Cuban dictator.

"History must have shown us that we have played a part in the creation of Fidel Castro," Mr. Inouye said. "We were well aware of the utter corruption of Batista. Because he said he was against communism we supported him throughout. I am afraid that we may be creating another Castro [in El Salvador]."

On the other side, Senator John C. Stennis, the conservative Mississippi Democrat and a veteran of the lengthy debates in Congress over Vietnam in the 1960s and 1970s, said the lessons of that war led him to believe that more force should be applied in El Salvador, that a blockade of Cuba, for instance, should be considered to block the flow of arms to El Salva-

dor. Senator Dennis DeConcini, a conservative Democrat from Arizona, also cited the lessons of the past to urge an all-out U.S. military involvement in the region, warning that piecemeal aid to El Salvador would only be wasted.

The Reagan administration's approach to this kind of dilemma has been ambiguous from the start. It has generally been critical of cutting off aid to friendly nations for human rights reasons, on the ground that no matter how bad the record may be in a country such as El Salvador it would be considerably worse under a communist takeover.

The administration repeatedly contends that Nicaragua is a quasi-communist state, that Grenada has fallen to the Marxists, and that there are Cuban-backed threats in Honduras and Guatemala. The United States has stepped up military aid to these countries, and may or may not be involved with anti-Sandinist forces entering Nicaragua from Honduras.

In defense of its human rights policies, the administration says it has tried quietly to bring about reforms in friendly countries. Mr. Shultz argues, as have other American officials in other times and places, that only by continuing to provide aid can the United States moderate repressive actions in a country such as El Salvador.

The Salvador situation is unusual, however, because of the case of the four American churchwomen — three of them nuns — who were murdered on a lonely road near San Salvador in December 1980. The Salvadoran military perpetrators of the crime have allegedly been identified and they are in custody, but the Salvadoran judiciary has repeatedly delayed bringing them to trial. The case of the nuns has made a moral hostage of any discussion of the Salvadoran aid question.

"You cannot get me to sit here and defend what has happened under the judicial system of El Salvador," Mr. Shultz told the committee. "I won't do it, I don't do it. I don't think it is defensible."

"If in the end, they don't clean up this act, the support is going to dry up and they've been told that."

## LETTERS TO THE EDITOR

### Ethics in Government

Regarding the editorial "Ethics in Government" (IHT, March 10):

Department of the Army Regulation 600-50 explicitly describes and directs the standards of conduct of its civilian and military employees. It is a further implementation of Executive Order 11222 of May 8, 1965. I'm sure every element of our U.S. government is affected by the standards of conduct prescribed by the executive order.

We who work in the nether world of government are compelled to read AR 600-50 at least once a year, but I suppose the closer one is to the White House the more diminished becomes this requirement. The paradox, however, is that commercial teams of auditors are sent to European installations to look for fraud and similar illegal hanky-panky instead of remaining in Washington, where they could really make their audits felt among those who seem to be ignorant of ethics and executive orders.

F.W. STEVENS,  
Frankfurt.

### Spain and Europe

Regarding "About the Spanish Army, Pride and Europe" (IHT, March 16) by William Pfaff:

Is Mr. Pfaff telling us what Napoleon already has — that Europe ends at the Pyrenees?

G. SZAKOWSKI,  
Paris.

### Trials in Guatemala

Regarding "Some Guatemalan Children Don't Rate Bullets" (IHT, March 14) by Anthony Lewis:

Yes, Guatemala still has problems, which is not surprising after 460 years of severe colonial repression and no experience with democratic institutions on the part of either the Latin ruling class or the 60-percent Mayan Indian majority. But before the coup that brought General Rios Montt to power, hundreds of individuals were "disappeared" monthly by the *mano blanca*, a coalition of right-wingers, police and army personnel. They killed persons regarded as criminals or terrorists, leaving their bodies by the roadside. Many could never be identified; families were left wondering what had happened to a relative and why.

The reason was the breakdown of the court system due to bribery and/or intimidation. When Gen. Rios Montt came to power he took as model the regime of the late French President Charles de Gaulle, who came to power in the wake of civil disturbances in Algeria. De Gaulle adopted a system of secret courts-martial that was applauded in all the great democracies as a step back toward a constitutional civil justice system.

Better courts, if military ones, and trials, if secret ones, than arbitrary decisions by irresponsible and unaccountable kangaroo courts of off-duty policemen and businessmen. At least an individual now has a hearing before known and responsible (if anonymous) military officers. Public announcement is made of executions and the

reason for them. Relatives are no longer left in doubt.

Until recently I worked for the U.S. Chamber of Commerce and taught at a Guatemalan university. I had wide contact with all classes. Without exception these people recognized the Rios Montt government as an enormous improvement on its predecessor.

Yes, Guatemala still has problems. But can't we look a little deeper and recognize progress when it occurs? "Eliminate the secret trials" — and what? Go back to no trials or secret judicial corruption, and once again destroy all credence in the judicial system.

DAVID B. TIMMINS,  
Neuilly-sur-Seine, France.

### Oil and Government

Regarding "Why Governments Should Keep Oil Prices High" (IHT, March 8) by René Foch:

The prospects for an agreement to maintain an artificially inflated oil price are slim, both for international and domestic reasons.

The idea that the leaders of industrialized countries will support such a proposal at the next economic summit in Williamsburg is farfetched. An oil price freeze would go against the grain of the free market philosophies of President Reagan and Mrs. Thatcher. Besides, leaders have stressed the potential of lower oil prices in fueling economic recovery.

Mr. Foch implies that governments have coherent and well organized energy policies, but that is not the case. Almost all energy decisions, I would argue, are made on an ad hoc basis in reaction to market fluctuations. Witness the level of federal investment in projects involving alternative energy sources in the United States, such as oil shale development in Colorado. As soon as an indication of cheaper oil appears, policy-makers want to scrap all other plans.

What is needed is a more forward-looking energy incentive, with a focus on oil prices farther than just around the corner. We know, however, that economic realities await no government planner.

JAMES K. FINKEL,  
London.

Regarding the news report "Iran Assails OPEC but Sets Discount" (IHT, March 19):

The reason OPEC-enforced oil prices will continue to fall is simple. Western consumer countries have changed their habits in the past few years. By their ingenuity they have found new, non-OPEC sources of oil. They have invested billions in developing automobiles that do twice as many miles to the gallon, and similarly for aircraft. New coal fields have been developed to fuel power stations. Solar power is coming on stream.

None of these huge investments in money and people is going to be dropped overnight for a 15- or even 30-percent drop in the price of an imported barrel. These investments last a long time — longer than some Arab governments last.

The Western nations' pride is also at stake. We will thus see a continuing fall in the price of OPEC oil. That is good for us and

hence for the developing world, but too bad for the Arabs, whose greed is causing their tumble.

BERNARD BUCKLE,  
Montpellier, France.

### Killings in Lebanon

So the conference of the so-called nonaligned nations has ended in New Delhi largely without surprises, spewing the expected hatred against anything pro-American. One thing that did surprise was that Messrs. Arafat, Assad and Gemayel railroaded through — against the better judgment of saner leaders such as President Daniel Arap Moi of Kenya — a resolution demanding a "war crimes tribunal" for the killings in Lebanon. Do these people not realize that they themselves should be sitting in the dock for all the butchery in Syria and Lebanon in the past few years?

FRANCIS RAYFIELD,  
Mombasa, Kenya.

In "How Can Lebanon Overlook the Massacres" (IHT, Feb. 15), Fouad Ajami overlooked one vital fact. Except for greater Beirut, all Lebanese territory is under foreign occupation, the bulk of it Israeli. The massacres took place at a time when Israel was in unchallenged control of Beirut. The south, where Palestinians are still being harassed, is under full Israeli control; any armed Lebanese bands there come under this occupying force.

Therefore any talk about moral blindness, apathy or cynicism on the part of the Lebanese at this stage strikes an odd note.

LEILA JAROUDI,  
Beirut.

### Voting This and That

Regarding "How Opinion Polls Help Voters Tailor Their Message" (IHT, March 19) by Flora Lewis:

Thinking further from Miss Lewis's last-but-one paragraph ("By its nature, representative democracy's a blunt instrument that does not offer the elector much chance to express nuance.") I see a possible solution: What if each voter were given, say, 10 votes to dispense rather than just one? He could then give seven to the Christian Democrats in West Germany, for example, and three to the Free Democrats. Or, in Britain, seven to the SDP and three to Labor, if he felt that way — in Scotland perhaps taking off one or two for the Nationalists, who knows?

What with modern data processing, this should not be difficult to administer. It would permit the individual voter to express a qualified opinion if he wanted to.

DR. W.D. EWALD,  
Graz, Austria.

### Stuck in Brooklyn

I was at first touched by "Cambodian Refugees. Finding No Peace, Flee New York" (IHT, March 19), but was soon struck by the irony of it all. What is being done for the naive New Yorkers who have no means of escaping the brutality of Brooklyn?

W.J. POULIN-DELTOUR,  
Paris.



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MONDAY, MARCH 28, 1983

## EUROBONDS

By CARL GEWIRTZ

### Investors Continue to Shun Market For the Excitement of Equities

PARIS — Bored with the seemingly endless flow of bank paper and uncertain about the direction of interest rates, investors continue to shun the Eurobond market for the excitement of equities. Stock market indexes in New York, Tokyo, Frankfurt and Paris set record highs last week.

The bond market clearly would come alive if issues convertible into common stock were offered. But investment bankers report that companies are unwilling to use this vehicle, fearing they would be giving away their stock too cheaply.

At the same time, treasurers are in no hurry to sell straight debt either, believing that ultimately interest rates must come down and that money can be borrowed more cheaply at a later date.

As a result, of the 30 full coupon dollar Eurobonds launched over the last four weeks, 19 have been for banks. Virtually all have been swaps, with the banks passing the coupon cost of the bond issue to a counterparty and receiving in exchange floating-rate money, at a cost below what the bank itself would have had to pay to borrow funds in the wholesale London interbank market.

Top-rated banks such as Credit Suisse and Deutsche Bank are reported to have paid 1½ points below Libor in their swap transactions. Less well rated banks, which might expect to pay a margin over Libor to borrow in the interbank market, were able to borrow floating-rate money at Libor.

The coupons offered on these public bond issues are not set to excite investors to buy the paper. A major determinant is the mathematics of the swap. The lower the coupon, the lower is the cost of money to the counterparty and therefore the bigger is the discount from Libor that the bank will pay for its floating-rate money.

The managers of the public issue get commissions for selling the bonds and commissions for arranging the swap, which means that the price of the bond can drop substantially without the managers suffering any real loss.

The managers can also afford to hold the bonds in the expectation that interest rates will ultimately decline and buyers for the bonds will be found. Thus, the only immediate concern to managers is that the bonds be profitable to hold in inventory, and that means a coupon that is set over the managers' own cost of money, which is the interbank rate.

As a result, there is little retail demand for bank issues at the original offering. Investors show up only when the price of the bond has dropped sufficiently to raise the yield to an attractive level.

The only two new dollar issues launched last week are both for banks and both are swaps. Dresdner Bank sold \$100 million of seven-year paper at par bearing a coupon of 11 percent. It is reported to have received in exchange seven-year floating-rate money at ¾ point below Libor.

The first of a number of issues scheduled to be marketed for Australian banks was launched last week for National Commercial Bank of Australia. It offered \$100 million of seven-year bonds at par bearing a coupon of 11½ percent. Of this, only \$50 million is being offered now and the rest will be tapped into the market during the next year as conditions warrant.

Other issues are said to be in the offing for Westpac, the State Bank of New South Wales and Australia and New Zealand Banking Group.

The Bank of Tokyo, meanwhile, increased its seven-year issue to \$125 million from the originally indicated \$100 million after another swap counterparty was found to warrant the increase. The issue is one of the few to be well received and was quoted at 98½ bid-99 asked.

The Deutsche-mark sector also was lethargic. The mark itself declined against the dollar last week as short-term U.S. rates hardened and fears spread that dollar rates could climb still higher. In addition, the decline in the price of oil is seen having a more beneficial impact on the dollar than the mark.

While West Germany is still expected to register a substantial trade and current-account surplus this year, the size of the estimated U.S. trade deficit has been halved. Analysts now predict a \$35-billion shortfall instead of the \$70-billion-plus talked about earlier this year. While still very large, the new estimate is considered more manageable.

Because of the tight demand for bonds, the 150-million-DM issue for Euratom, which had been expected to be priced at par, was marketed at a discount of 99. The 10-year bonds, bearing a coupon of 7½ percent, were thus sold at a yield of 7.52 percent.

The Inter-American Development Bank is on offer with a 10-year issue (Continued on Page 9)

## Block Says Farm Sales Delayed

### But Presses EC Over Subsidies

By Patti Waldmeir

CAIRO — The United States will delay subsidized farm-export deals like a recent sale of wheat flour to Egypt to avoid antagonizing the European Community, the U.S. agriculture secretary, John R. Block, said Sunday.

But Mr. Block, in Cairo on a 10-day visit to North Africa and the Middle East, said he hoped that his trip would help to maintain pressure in talks between the European Community and the United States over agricultural-export subsidies.

"We did not come here to antagonize Europe," Mr. Block said. "That's one reason we're not charging ahead with a subsidized dairy deal for Egypt," he added, in a reference to negotiations for the sale of surplus U.S. butter and butter oil to Egypt.

But he said: "We are still very intent on achieving our objective of competing with subsidized European exports in markets which we, too, consider ours."

Mr. Block said on Friday, before arriving in Cairo, that the primary aim of his trip was to promote sales of agricultural products at world market prices.

Mr. Block has been under severe pressure at home to fight the Europeans by dumping U.S. dairy products on world markets.

The United States announced in January that it would sell one million tons of subsidized flour to Egypt, at what the European Commission said was \$30 a ton below the market price, to compete with subsidized European sales to Egypt.

Mr. Block emphasized that any U.S. suspension of major new subsidized export deals was only temporary, adding: "We want to give the Europeans a little more time, to see if we can't make some progress in the negotiations."

Officials traveling with the secretary said his visit was partly a negotiating ploy aimed at convincing Europe, and particularly France, that the United States is serious about trying to increase its market share in countries that rely heavily on the European Community for agricultural imports.



A worker cuts jeans at the San Francisco Levi's factory. Top left, Robert T. Grohman, president and chief executive, and Robert D. Haas, executive vice president.

## New Ideas Halt Levi's Slide

By Thomas C. Hayes

LOS ANGELES — In 1981, when the first signs of a subsequent, two-year profit slide began to appear, Levi Strauss & Co. responded by setting up an in-house venture-capital fund.

The company, the maker of Levi's jeans, offered a dozen competing teams of middle managers the lure of a \$500,000 budget to come up with new product ideas. The budget, and the right to pursue the idea, would go to the team with the idea that senior management considered the best.

The experiment appears to have paid off: The winner of the competition, a prewashed denim jean with leather pockets and copper rivets called "Two-Horse Jeans," is expected to register \$30 million in sales this year after its 1982 introduction.

But "Two-Horse Jeans," which are attracting buyers from the overlooked, post-collegiate jeans lover, is just one in a flurry of new products and aggressive marketing ideas that appear to be arresting the company's protracted earnings slump.

The company reported last week that its profits more than doubled in the first quarter ended Feb. 28, to \$35.1 million, or 84 cents a share, while sales increased 8 percent, to \$576.4 million. Although some of the increase was attributed to stronger consumer spending in general, Levi Strauss executives say they are not counting on a growing national economy to sustain the company's performance.

"There are still a lot of questions about the recovery," Robert T. Grohman, 58, Levi's president and chief executive, said in an interview in the

company's San Francisco headquarters. "When somebody around here mentions the recession, we say: 'What recession?' We're operating on the basis that this is a way of life."

That perception has led the company to take such first-time steps as forming distribution links with Sears, Roebuck and J.C. Penney, the biggest and third biggest U.S. retail chains, respectively. The move, announced early last year, is described by Mr. Grohman as "achieving great success; all three of us are ahead of our targets."

In addition, the company has begun a \$40-million promotion wrapped around the 1984 Olympics, a push into nonjeans leisure wear, and an effort, thus far frustrated by the worldwide recession and currency devaluations, to expand sales in 40 countries.

Analysts also believe that an acquisition to be another likely option for Levi Strauss. Despite spending \$500 million to build efficient new plants in the last two years, the company had \$535 million in cash on hand at the end of 1982 and carries a debt load that is only 10 percent of total capitalization.

Mr. Grohman acknowledges that he is reviewing acquisition possibilities and that he has enlisted McKinsey & Co., a consulting concern, and Lehman Brothers Kuhn Loeb, an investment house, to help.

"We're not interested in becoming a conglomerate, but we are interested in broadening our diversification base," he said at the company's new red-brick, campus-like headquarters along Fisherman's Wharf.

He added that Levi Strauss was also considering (Continued on Page 9)

## EC Fights Back on Information Technology

By Ethan Bronner

BRUSSELS — Western Europe's leading electronics firms are gearing up to battle U.S. and Japanese dominance of what is likely to become the largest manufacturing industry in the world in the next decade — information technology.

A recent issue of an American business journal in Brussels showed a small robot from Europe giving chase to a towering, distraught machine from the United States and Japan.

The aggressor has in its right arm a flag on which is written "Esprit," an acronym for the European Community's attempt to put up a multinational challenge to the U.S. and Japanese dominance of information technology.

Esprit, the European Strategic Program of Research and Development in Information Technology, joined a dozen of the community's leading electronics groups, traditionally fierce competitors, which are now faced with seemingly insurmountable competition from abroad.

Esprit aims at tripling European firms' current 10 percent share of world markets in information technology, a field likely to become the largest manufacturing industry in the world by the 1990s, with an annual turnover of \$600 billion, according to the European Commission.

At their recent summit, the leaders of the European Community approved the scheme, which has an initial financing of about \$23 million.

In a report to the summit, the European Commission quoted the 12 companies, including Philips of the Netherlands, Siemens and AEG of West Germany and France's Thomson, as saying: "The position of European industry in this field is depressing if not exactly disastrous."

"Unless a cooperative industrial program of sufficient magnitude can be mounted, most, if not all, of the current information-technology industry could disappear in a few years' time."

European leaders also see Esprit as a means of creating jobs and ensuring the community's economic future.

Information technology involves a wide range of advanced techniques, especially the manufacture of silicon chips, each able to store tens of thousands of bits of information.

It is one of the world's fastest moving fields. The Japanese, for example, are already at work on a chip said to be capable of storing one million active elements. The race is on to design ever smaller and "smarter" chips.

Another aspect involves designing machines that apparently reason and associate the way the human brain does. The idea is to build machines with which humans can communicate directly.

Another area is office automation, which could become the largest market of all. International Business Machines and Xerox, both U.S. companies, have so far spent more in this field than has the whole of European industry, the commission said.

Community officials estimated that a major push toward information technology would directly affect one-third of all jobs in Western Europe, requiring projects in training, education and job sharing.

One of the first pilot projects in Esprit may be the establishment of a joint research center for the long-term investigation of advanced computing systems.

The three largest European-owned computer manufacturers, ICL of Britain, CII-Honeywell Bull of France and Siemens of West Germany, are discussing setting up

such a center, according to commission officials.

The commission sees Esprit as part of a larger boost to science and research within the Common Market to free it of dependence on imports.

In its proposal for a community-wide scientific and technical strate-

gy for the next four years, the commission said that European technological dependence on other countries is sometimes unacceptably high.

Commission officials said that one of the most delicate problems still to be solved is how companies that compete in other fields can collaborate on specific projects.

## Profitability Slide Stirring up a Debate

By Karen Arenson

NEW YORK — The low level of corporate profits recently has been cause for alarm, particularly among those who would like to see increased investment and growth.

Most economists do, of course, look for sizable increases in profits as the economy recovers. But just how substantial the rise will be is a matter of much debate. What concerns some analysts is that corporate profitability appeared to be on a long slide even before the United States entered the recent recession, and could be continuing despite the temporary upturn that came with recovery.

"As I look at the data, it is very clear that in the United States, and in other industrial countries, there has been a remarkable decline in the return on capital," said William B. Nordhaus, a professor of economics at Yale University. He says 1982 was the year of lowest profitability, but points out that "over the past 10 to 12 years, profits of American corporations [expressed as return on capital] have been markedly lower than they were in earlier years."

The question that remains now is whether whatever had been causing profits to slip will still be at work, or whether somehow, it has been corrected.

Among the pessimists — those who fear that growth in corporate profit could be limited in the future — is Dale N. Allman, an assistant economist at the Federal Reserve Bank of Kansas City, who recently completed a study of corporate profitability in various sectors of the U.S. economy. He contends that "There is nothing on the surface to suggest that the decline has been permanently reversed."

He acknowledged that the recession has taken its toll on corporate profits over the past two years, but he contended that there is something deeper at work as well.

"The profit rate is likely to rise as the economy recovers from the

1981-1982 recession," Mr. Allman said. But, as he wrote in the Kansas Fed bank's January Economic Review, his analysis suggested that "over the longer run, U.S. businesses' profitability will continue to decline relative to the early years after World War II."

Mr. Allman's overall conclusions were consistent with work done earlier by Professor Nordhaus and others. But his findings about profitability trends among different industries came as something of a surprise. Analyzing profitability in the service sector, the goods-producing sector and in eight specific industries, he found similar patterns of decline in the postwar period in all but one industry group — finance, insurance and real estate.

Others, however, are more sanguine about the prospects for improved profitability. Lawrence H. Summers, a senior staff economist at the President's Council of Economic Advisors, declared himself as "cautiously optimistic." As a graduate student at Harvard in 1977, he worked with Professor Martin Feldstein — now chairman of the council — on a study of corporate profitability trends, and concluded that any dips in profits in the 1970s were the result of "random churning" of the business cycles, not of a long-term slide.

Mr. Summers acknowledges that the further plunges in profits in the years following their study seemed to add credence to the case for long-term deterioration, but he said does not embrace that theory. Moreover, he cites changes in a variety of factors that he says could boost both productivity and profitability through the rest of the 1980s.

"Demographic trends are reversing. Energy prices are now working in the right direction. Regulation at least is not increasing. The fall in profits in the 1970s was associated with the productivity decline," Mr. Summers says, "and all of these things will help reverse that in the 1980s."

## CURRENCY RATES

Interbank exchange rates for March 25, excluding bank service charges.

	\$	£	DM	F.F.	Y.	Scd.	S.F.	S.P.	D.K.
Amsterdam	2.714	3.961	112.20	37.44	11.884	—	5.47	121.47	31.28
Brussels (a)	65.00	49.37	19.265	6.608	3.222	—	—	23.20	5.575
Frankfurt	2.118	3.505	—	31.54	1.276	—	8.96	117.15	28.14
London (b)	1.602	—	3.262	10.589	2.010	—	2.959	49.97	12.343
Paris	1.453	2.191	6.519	19.892	5.317	—	32.14	49.91	11.173
New York	1.453	2.191	6.519	19.892	5.317	—	32.14	49.91	11.173
Stockholm	2.252	18.58	29.85	—	392.50	—	76.85	11.139	84.25
Zurich	2.045	3.017	8.405	28.1	6.431	—	76.05	4.084	9.415
1 SCU	0.1923	0.0434	2.277	6.704	1.335	—	2.514	44.75	19.122
1 SDZ	1.0927	1.7279	24.105	7.8241	1.257	—	2.913	51.855	22.289

1 SCU = 1/100 of 1 Swiss franc; 1 SDZ = 1/100 of 1 German mark.

1 Y = 1/100 of 1 Japanese yen; 1 F.F. = 1/100 of 1 French franc; 1 S.F. = 1/100 of 1 Swiss franc; 1 S.P. = 1/100 of 1 Spanish peseta; 1 D.K. = 1/100 of 1 Dutch guilder.

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All these Bonds have been sold. This announcement appears as a matter of record only.

New Issue

March 1983

**European Investment Bank**

ECU 60,000,000

11 ¾ per cent. Bonds due 1991

Banque Bruxelles Lambert S.A./Bank Brussel Lambert N.V.

Amro International Limited  
Kredietbank International Group

Algemene Bank Nederland N.V.  
Banque Internationale à Luxembourg S.A.  
Crédit Commercial de France  
Deutsche Bank Aktiengesellschaft  
Société Générale

Banque Nationale de Paris  
Société Générale de Banque S.A.  
Banque Générale du Luxembourg S.A.  
Caisse des Dépôts et Consignations  
Crédit Lyonnais  
Istituto Bancario San Paolo di Torino  
S.G. Warburg & Co. Ltd.

Banca Commerciale Italiana  
Bank of America International Limited  
Banque du Benelux S.A.  
Banque Indosuez  
Banque Paribas  
Bayerische Hypothek- und Wechselbank Aktiengesellschaft  
Caisse d'Epargne de l'Etat-Luxembourg  
Citicorp Capital Markets Group  
Créditanstalt-Bankverein  
Crédit Général S.A. de Banque  
Credito Italiano  
Dominion Securities Ames Limited  
Financière Delors S.A.  
Hambros Bank Limited  
Lehman Brothers Kuhn Loeb International, Inc.  
Merrill Lynch International & Co.  
Nederlandsche Middestandsbank N.V.  
Nominus International Limited  
Privatbanken A/S  
Société Générale Alsacienne de Banque  
Union Bank of Finland Ltd.  
Westdeutsche Landesbank Girozentrale

Banca del Gottardo  
Bank Göttinger, Kurr, Bungeus  
Banque Bruxelles Lambert (Suisse) S.A.  
Banque Louis-Dreyfus  
Banque de Paris et des Pays-Bas Belgique S.A.  
Bayerische Vereinsbank Aktiengesellschaft  
Chase Manhattan Capital Markets Group  
Commerzbank Aktiengesellschaft  
Crédit Commercial de Belgique S.A./Genéerelcredit van België NV  
Crédit Industriel d'Alsace et de Lorraine  
Crédit Suisse First Boston Limited  
Dresdener Bank Aktiengesellschaft  
Genossenschaftliche Zentralbank AG-Vienna  
Kleinwort, Benson Limited  
Nederlandsche Credietbank nv  
Orion Royal Bank Limited  
Rabobank Nederland  
Société Générale Séquanaise de Banque  
Union Bank of Norway Ltd.  
United Overseas Bank (Luxembourg) S.A.  
Wood Gundy Limited

Banco di Roma  
Bank Mess & Hope NV  
Banque Française du Commerce Extérieur  
Banque Nationale de Paris (Luxembourg) S.A.  
Banque Württemberg  
Berliner Handels- und Finanzbank  
CIBC Limited  
Comptoir Monétaire de Banque  
Crédit Européen S.A. Luxembourg  
Crédit du Nord  
Den norske Creditbank (Luxembourg) S.A.  
Die Erste Österreichische Spar-Casse  
Goldman Sachs International Corp.  
E van Lanschot Bankiers NV  
Lazard Frères et Co  
ITCS International Limited  
Morgan Guaranty Ltd  
The Nippon Securities Co., (Europe) Ltd.  
Pierres, Hédérig & Pierson NV  
Société Européenne de Banque S.A.  
Veritas- und Westbank Aktiengesellschaft  
Yamaichi International (Europe) Limited







	Amount	Maturity	Coupon	Price	Yield	Terms
(millions)	%	%	%	%	%	
Corporation	100,000	1993	7 1/4	99	7.52	First callable at 101 1/2 in 1990.
LADE	200,000	1993	7 1/4	open	—	Noncallable. Price to be set March 29.

## Caracas Leaves Some Questions Unanswered

By Carl Gewirtz  
International Herald Tribune

PARIS — For weeks, bankers have been questioning when Venezuela would announce plans to reschedule its external debt. There were never any questions about the cost, as about two-thirds of the foreign debt is bonded into maturities falling due within two years.

Last week, the government finally announced a 90-day moratorium on principal repayments of public sector debt, pending an agreement to restructure the loans. This widely expected move was announced in mid-February on debt falling due between Feb. 1 and March 31. Interest payments, the government said, will be kept current.

Not included in the moratorium are publicly issued floating-rate notes and bonds, loans owed to international organizations and trade-related debt.

The news came as no surprise. Nevertheless, it did create considerable confusion.

For openers, many bankers

questioned the estimate of \$10 billion of debt falling due this year and needed to be rescheduled, a figure that has been put forward by government sources in Caracas. "There's a lot of guesswork in those figures," one U.S. banker said.

Finance Minister Arturo Sosa recently estimated that public-sector foreign debt totaled \$27 billion, of which about \$14 billion was short-term.

More disturbing than the argument about the numbers is the absence of any statement on the status of private-sector debt, which bankers estimate totals around \$6 billion. The bulk of this is believed to be loans extended to private banks. Some U.S. bankers said that they assumed there is now a mad scramble going on to pull in all the loans that can be cut before they too are frozen.

### SYNDICATED LOANS

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Three public-sector banks are already included in the moratorium — Banco Industrial de Venezuela, the agricultural-development bank Bando and the national savings and long-term bank Banap. The government measure freezes the interbank loans to these institutions, a move bankers find most upsetting as interbank lines are intended to be short-term.

In the rescheduling operations for both Mexico and Brazil, interbank lines were stretched out to medium-term loans. But bankers warn that the continued forced stretching of these bank-to-bank lines of credit will lead to a radical change in the operations of the multi-banking-dollar interbank market, which has been the source of a major portion of Euro-market lending.

So far, there are no signs that the interbank market has been seriously affected by these developments, but experts fear that a reaction is inevitable.

A prominent monetary expert, who did not want to be identified, said that if it resulted in forcing that is, where rates paid for funds differ according to the nationality and size of the borrower, or in lenders becoming more careful, "that is not an unusual development."

"It's all a question of speed," he said. "If lenders slowly revise their thinking to better recognize the risks, that is to be welcomed. But a

brutal change in philosophy could create problems.

Venezuela is the third largest oil producer in OPEC, but bankers note that its finances were in a mess before the decline in the price of oil.

In addition to the price cut, bankers note, Venezuela, like other producers scrambling to find customers, has been forced to offer customers the option to defer payment for up to six months. This created a cash crisis in Venezuela and similar liquidity problems are building up in all the producing countries except Saudi Arabia and Kuwait, bankers say.

One banker reports that the even the Gulf states are "very discreetly" approaching banks seeking one-to-one deals rather than widely publicized syndicated loans.

Elsewhere, a feared clash between Yugoslavia and bank creditors over guarantees sought by lenders was averted Friday. The Yugoslavs agreed in principle to meet the demand that the federal republic guarantee the refinancing of \$1.4 billion of existing debt and a new loan of \$600 million. The National Bank of Yugoslavia will guarantee the related two-year extensions of short-term credits.

The government is expected to give its formal approval Tuesday, but a final agreement is not likely to be signed before the end of June.

For instance, he said, the company's introduction of active wear, timed for the summer Olympics in 1980, was so poorly executed that President Jimmy Carter's decision to cancel the participation of the United States was a good thing for the company. Because Levi was not ready to introduce the product, he said, the advertising budget would have been wasted.

Nothing that Levi Strauss is spending \$40 million in promotions tied to the 1984 Olympics, Mr. Haas added. "I think we're in better shape now."

Many Wall Street analysts agree. Brenda Gall of Merrill Lynch, Pierce, Fenner & Smith said that although jeans are a mature market, new product fabrics, colors and designs have stirred consumer interest in basic jeans. "There is a cyclical recovery going on," she said.

In addition, she said, Levi Strauss has been a leader in product innovation, and has expanded rapidly from dominance of the

refinancing the oonguaranteed portion of these credits. However, bankers said that it will take some time to sort these credits out and put a number on the total.

In return for the agreement on guarantees, the banks agreed to make the loan for six years instead of five as they originally proposed. The margin remains unchanged at 1 1/2 points over Libor or 1 1/4 points over the prime rate.

The bellwether 30-year Treasury bond rose by almost a point, or about \$10 for each \$1,000 Friday, to an offered price of 97 1/2-3/4, which yielded 10.63 percent, up

from Thursday's close of 10.59 percent. Meanwhile, the three-month Treasury bill rate rose to an offered price of 8.57 percent, up from 8.47 percent Thursday. And the six-month Treasury bill rose to 8.61 percent from 8.51 percent.

Another factor in the interest-rate rise was the weak demand for the huge supply of new government securities auctioned this week. In addition, the failure of the Fed to inject funds into the banking system, which would help lower the cost of overnight interbank loans, depressed prices of government securities and pushed up yields.

While most economists differ as to whether there has been a firming in the Fed's policy, most believe

that the Fed has not been so free in supplying reserves as in previous months. A high level of bank reserves means that banks have more funds to lend and encourages lower interest rates.

Raul Niche, vice president of economic research at Money Market Services, an economic firm based in Belmont, California, said that the lower level of funds supplied by the Fed to meet bank-serve requirements was a signal of a slightly more restrictive Fed policy.

The Fed reported that banks ended the week on Wednesday with only \$61 million in excess reserves. Banks that are members of the Federal Reserve system are required to maintain a percentage of their deposits at the Fed. For most of this year, the Fed has been supplying enough money for the banking system so that banks were averaging an excess reserve position of \$200 million to \$300 million, creating less of a need to borrow in the federal funds market or from the Fed itself.

Other data released by the Fed Friday showed that money-market deposit accounts grew by \$3.2 billion, to \$318.8 billion, in the week ended March 16.

By Yla Eason  
New York Times Service

NEW YORK — Interest rates rose sharply Friday because of concern among investors that the Federal Reserve is tightening credit availability or might soon do so.

Interest rates did not ease off significantly even after the Federal Reserve announced late in the day that M-1, the basic measure of currency and checking deposits readily available for spending, had fallen by \$1.3 billion, to \$497.1 billion, for the week ended March 16.

Analysis said that was because the M-1 level remained 13 percent above the Fed's annual growth target of 4 to 8 percent for the last three months. In addition, the decline was in line with market expectations.

Analysts said that a forecast of higher interest rates and tighter Fed policy from Henry Kaufman, the Salomon Brothers economist, also contributed to the rise Friday in short-term and long-term interest rates.

The bellwether 30-year Treasury bond rose by almost a point, or about \$10 for each \$1,000 Friday, to an offered price of 97 1/2-3/4, which yielded 10.63 percent, up

### U.S. Consumer Rates

For Week Ended March 23	Rate
Postbook Savings	5.50 %
6-Month Savings Certificates	9.00 %
Time-Deposit Bonds	9.15 %
Money Market Funds	7.80 %
Home Mortgage	13.50 %
FHLB average	13.50 %

### U.S. CREDIT MARKETS

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Rate	May	Aug.	Nov.
40	11/10/14/20	10/20/22/20	10/20/22/20
40	10/20/22/20	10/20/22/20	10/20/22/20
40	10/20/22/20	10/20/22/20	10/20/22/20
30	10/20/22/20	10/20/22/20	10/20/22/20

Gold 41 30-43.50

### Valeurs White Weld S.A.

1, Quai de Mont-Blauc  
1211 Geneva 1, Switzerland  
Tel. 31 02 51 - Telex 28 382

### ORQUIDO INTERNATIONAL N.V.

U.S. \$30,000,000  
Floating Rate Notes due 1986

For the six months, March 23, 1983 to September 22, 1983 the notes will carry an interest rate of 10% per annum.

The interest due September 23, 1983 against coupon "9" will be U.S.\$51.11 and has been computed on the actual number of days elapsed (184) divided by 360.

The Principal Paying Agent

SOCIÉTÉ GÉNÉRALE

ASSOCIÉE DE BANQUE

15, Avenue de la Bourse,  
LUXEMBOURG.

## Stocks Get The Action

(Continued from Page 7)

having a coupon of 7 1/4 percent. The price will be fixed this week but the paper was quoted on a when-issued basis at a discount of 1 1/2-1 1/4.

The only issue scheduled for this week is a 300 million DM, 10-year offering from the World Bank.

In the ECU sector, Credit National of France is offering 50 million ECU of 10-year bonds bearing a coupon of 12 1/2 percent. The subscription price will be set April 12.

In addition, Credit National is arranging a five-year syndicated loan of 150 million ECU with the understanding that this would serve as bridge financing until the entire amount is raised in the bond market. The future bond issues will be in minimum amounts of 25 million ECU.

Credit National is paying a margin of 1/2 point over the ECU interbank rate for the first three years and 1 point over for the final two years. In addition, banks providing the credit will be paid a 1/4 percent front-end fee.

International Herald Tribune

## New Ideas Halting Levi's Slide

(Continued from Page 7)

young men's jeans market, ages 15 to 25, that was its base 10 years ago.

Sales of other products, which include its David Hunter line of leisure dresswear and women's coordinates, among others, contributed 36 percent of total domestic sales in 1982, compared with 25 percent in 1975. Overseas, the figure increased to 20 percent from 5 percent in 1975.

Mr. Grohman said: "We had to increase our share of the apparel business to get back on the fast growth curve of the 1970s. All of this brought the requirement of being a more intensive marketing company than we had been before."

As one gauge of the new emphasis, he said, the 1983 advertising budget was raised to \$90 million from \$55 million last year.

Other analysts note that Levi is benefiting from the declining popularity of designer jeans. Jay J. Melzer, an analyst with Goldman, Sachs & Company, said: "Their whole United States business has shown a real pickup." Levi's shipments, he noted, are up 29 percent over last year.

The company expects to sell more than 100 million pairs of

jeans this year in the United States, or roughly a fifth of the total domestic market. According to analysts' estimates, Levi Strauss sells twice as many jeans as Blue Bell Inc.'s Wrangler brand.

Mr. Haas said: "Notwithstanding the hoopla of designer jeans, we were the first to really pioneer the use of consumer advertising in the apparel industry."

Consolidated Trading  
OF NYSE Listings

Week Ended March 23	Sales	High	Low	Close
AT&T	4,977,000	29 1/2	29 1/4	29 1/2
IBM	4,779,000	67 1/2	67 1/4	67 1/2
IBM	4,779,000	105 1/4	105 1/2	105 1/4
IBM	4,779,000	26 1/4	26 1/2	26 1/4
IBM	4,779,000	26 1/4	26 1/2	26 1/4
IBM	4,779,000	26 1/4	26 1/2	26 1/4
IBM	4,779,000	26 1/4	26 1/2	26 1/4
IBM	4,779,000	26 1/4	26 1/2	26 1/4
IBM	4,779,000	26 1/4	26 1/2	26 1/4
IBM	4,779,000	26 1/4	26 1/2	26 1/4

Volume: 414,020,000 shares  
Last Week: 352,700,000 shares  
1982 to date: 5,274,947,299 shares  
1983 to date: 2,064,340,000 shares  
1981 to date: 2,862,700,000 shares

Advances: 1253; declines: 704;  
unchanged: 528  
New highs: 528; new lows: 34

Value: \$14,020,000,000

These Notes having been sold, this announcement appears as a matter of record only.

NEW ISSUE.

These Notes having been sold, this announcement appears as a matter of record only.

U.S. \$100,000,000

The Long-Term Credit Bank of Japan Finance N.V.

(Incorporated in the Netherlands Antilles)

11% Guaranteed Notes Due 1990

Unconditionally guaranteed as to payment of principal and interest by

The Long-Term Credit Bank of Japan, Limited

(Kaitohiki Kaisha Nippon Chokai Shunyo G.K.)  
(A Japanese Corporation)

LTCB International Limited

Morgan Guaranty Ltd

Baring Brothers & Co., Limited

Commerzbank Aktiengesellschaft

Deutsche Bank Aktiengesellschaft

Kreditbank International Group

Manufacturers Hanover Limited

Morgan Stanley International

Smith Barney, Harris Upham & Co.

Union Bank of Switzerland (Securities) Limited

Algemeene Bank Nederland N.V.

Banco de Comercio Italiano

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## - NASDAQ NATIONAL MARKET

206	1/2
103	1/2
207	1/2
204	1/2
20	1/2
147	+ 76
4	+ 46
29	
77	
194	1/2
127	+ 1
3	
16	
28	1/2
8	1/2
292	1
204	1/2
23	1/2
20	
122	+ 1/2
146	1/2
34	
32	
3	+
102	
20	1/2
54	
5	1/2
46	+ 1/2
150	1/2
17	1/2
51	
136	1/2
417	
22	+ 1/2
11	1/2
204	

579-14  
79-130  
516  
20A2+10  
579  
579  
579-14

March, 1982

1. The first step in the process is to identify the problem or issue that needs to be addressed. This involves gathering information and understanding the context of the problem.



## Over-the-Counter

NEW YORK (AP)—The following quote, from the National Association of Securities Dealers, Inc., are of which these securities could have been used in the purchase of Value or bought (Value minus sales charge) Friday.									
Bid	Ask	Bid	Ask	Mutual Funds					
Colt/Exe 12.02	12.02	Chenier 11.30	12.45	Closing Prices March 25, 1983					
Colt/Exe 12.02	12.02	Chenier 11.30	12.45						
Colt/Exe 12.02	12.02	Chenier 11.30	12.45						
Colt/Exe 12.02	12.02	Chenier 11.30	12.45						
Colt/Exe 12.02	12.02	Chenier 11.30	12.45						
Colt/Exe 12.02	12.02	Chenier 11.30	12.45						
Colt/Exe 12.02	12.02	Chenier 11.30	12.45						
Colt/Exe 12.02	12.02	Chenier 11.30	12.45						
Colt/Exe 12.02	12.02	Chenier 11.30	12.45						
Colt/Exe 12.02	12.02	Chenier 11.30	12.45						
Colt/Exe 12.02	12.02	Chenier 11.30	12.45						
Colt/Exe 12.02	12.02	Chenier 11.30	12.45						
Colt/Exe 12.02	12.02	Chenier 11.30	12.45						
Colt/Exe 12.02	12.02	Chenier 11.30	12.45						
Colt/Exe 12.02	12.02	Chenier 11.30	12.45						
Colt/Exe 12.02	12.02	Chenier 11.30	12.45						
Colt/Exe 12.02	12.02	Chenier 11.30	12.45						
Colt/Exe 12.02	12.02	Chenier 11.30	12.45						
Colt/Exe 12.02	12.02	Chenier 11.30	12.45						
Colt/Exe 12.02	12.02	Chenier 11.30	12.45						
Colt/Exe 12.02	12.02	Chenier 11.30	12.45						
Colt/Exe 12.02	12.02	Chenier 11.30	12.45						
Colt/Exe 12.02	12.02	Chenier 11.30	12.45						
Colt/Exe 12.02	12.02	Chenier 11.30	12.45						
Colt/Exe 12.02	12.02	Chenier 11.30	12.45						
Colt/Exe 12.02	12.02	Chenier 11.30	12.45						
Colt/Exe 12.02	12.02	Chenier 11.30	12.45						
Colt/Exe 12.02	12.02	Chenier 11.30	12.45						
Colt/Exe 12.02	12.02	Chenier 11.30	12.45						
Colt/Exe 12.02	12.02	Chenier 11.30	12.45						
Colt/Exe 12.02	12.02	Chenier 11.30	12.45						
Colt/Exe 12.02	12.02	Chenier 11.30	12.45						
Colt/Exe 12.02	12.02	Chenier 11.30	12.45						
Colt/Exe 12.02	12.02	Chenier 11.30	12.45						
Colt/Exe 12.02	12.02	Chenier 11.30	12.45						
Colt/Exe 12.02	12.02	Chenier 11.30	12.45						
Colt/Exe 12.02	12.02	Chenier 11.30	12.45						
Colt/Exe 12.02	12.02	Chenier 11.30	12.45						
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## American Exchange Options

For the Week Ending March 25, 1983

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## Chicago Exchange Options

**For the Week Ending March 25, 1983**

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**INTERNATIONAL CLASSIFIED**

(Continued From Back Page)

ESCORTS & GUIDES	ESCORTS & GUIDES	ESCORTS & GUIDES	LONDON MAYFAIR ESCORT SERVICE
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The Hague 523079 N. EUROPE ESCORT SERVICE	<b>LONDON</b> <b>KENSINGTON</b>  <b>ESCORT SERVICE</b> 10 KENSINGTON CHURCH ST. W8 TEL: 927 9136 OR 927 9135	<b>ARISTOCATS</b> <b>LONDON Escort Service</b> 104-637-4741 / 4742 12 noon - midnight	<b>Geneva-Jade Domains</b>  Escort Service, Tel: 022/31 95 09
<b>CAPRICE</b>  <b>ESCORT SERVICE</b>  <b>IN NEW YORK</b>  TEL: 212-737 3291.	<b>ZURICH</b>  <b>Vanessa Escort Service</b> TEL. 01/47 02 12 - 49 25 45	<b>Zurich - Geneva</b>  <b>Montana Escort &amp; Guide Service</b> Tel. 01 / 361 90 60	<b>WASHINGTON, D.C.</b>  <b>Escort Service, Credit: 202-646-0240.</b>
<ul style="list-style-type: none"> <li>• GENEVA •</li> <li>• ZURICH •</li> <li>• GERMANY •</li> </ul> <b>Escort &amp; Travel Service</b> TEL: 0049-9175-1654	<b>AMSTERDAM</b>  <b>Superb Escort Service</b> Tel: 269587.	<b>ZURICH-GENEVA</b>  <b>SOPHIE ESCORT &amp; GUIDE SERVICE</b> TEL. 01 / 302 68 93	<b>VIENNA - HARMONY VIP Escort Service.</b> Telephone city area 02244-2818 or 50065 08 midnight <b>VIENNA - EXCLUSIVE ESCORT SERVICE.</b> Tel 47-74-61.  BRUSSELS, DANIA ESCORT Service. Please tel: 731 76-41. BRUSSELS, CHANTAL ESCORT Service. Tel: 550 32 65. <b>MADRID ANA, ESCORT SERVICE.</b> Tel: 246 22 57. Credit card. <b>MADRID BETH ESCORT SERVICE.</b> Tel: 261 33 71. <b>DUSSELDORF-COLOGNE DOMINICA</b> English-Spanish Service. 021/3931418 <b>HAMBURG ESCORT AND GUIDE Service.</b> Tel: 243337. <b>COLOGNE - BONN - DUSSELDORF</b> <b>Escort Service.</b> Tel: 0201 / 734651. <b>FRANKFURT - PETERA ESCORT &amp; Travel Service.</b> Tel: 0611 / 662805. <b>KARLSRUH ESCORT SERVICE Frankfurt.</b> Tel: 0611-681642. <b>FRANKFURT - ANITA ESCORT Service.</b> Tel: 0611/63874. <b>FRANKFURT SONJA, ESCORT Service.</b> Tel: 0611/785652. <b>FRANKFURT LAURA, Escort Service.</b> Tel: 0611 597 227. <b>FRANKFURT REALIZED, ESCORT SERVICE.</b> Los Angeles 0215 552-5445 <b>WASHINGTON D.C.</b> Sandy Day Escorts, 202/5491-2525 <b>TORONTO, CANADA, Gabrielle</b> <b>Escorts Service, Tel: 416-385-0463.</b> <b>UNIVERSITY ESCORT SERVICE, New York City</b> Tel: 212-638-1935 <b>LAMA ESCORT SERVICE, Tel: London</b> <b>and 0208</b> <b>LONDON ESCORT AGENCY,</b> <b>Tel: 925 3339.</b> <b>LONDON ESCORT SERVICE, Tel: 927</b> <b>6574.</b> <b>NEW SPANISH AGENCY, London &amp;</b> <b>London, Tel: 01 579 7554.</b> <b>LONDON SPANISH ESCORT Service,</b> <b>Tel: 01 541 7671.</b> <b>LONDON TRAVEL ESCORT SERVICE,</b> <b>Tel: 749 4042.</b>
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<b>AMSTERDAM</b>  <ul style="list-style-type: none"> <li>• SHE • ESCORT SERVICE</li> <li>IN HOLLAND AND EUROPE</li> <li>Tel: 020 / 222940</li> </ul>	<b>Madrid Evasion</b>  <b>VP Escort &amp; Guide Service, Madrid</b> Tel: Madrid 261 41 42 - 261 43 35.	<b>LONDON OXFORD ST</b> <b>Escort Service, 100 Oxford St, Headrow</b> <b>Tel: 582 2408</b>  <b>NEW YORK</b> Roney's V.I.P. Escort Service Tel: 212-381-1948	<b>NEW YORK</b> ELAN ESCORT SERVICE SHELA: 212-496-6205.
<b>COPENHAGEN EXCLUSIVE Escort Service.</b> 1.346034 <b>MONTREAL, CANADA, Claire Escort &amp; Guide Service.</b> 514-345-1000 <b>RUSSIAN-AMERICAN ESCORT SERVICE Lon-</b>	<ul style="list-style-type: none"> <li>• ZURICH - GENEVA •</li> </ul> <b>Chicago Escort Service Agency</b> TEL: 0049-61-03-82048	<b>ALINGBURY (LONDON)</b> <b>ESCORT AGENCY</b> <b>LONDON HEATHROW &amp; GATWICK:</b> <b>LONDON Tel: 01-747 3304.</b>	<b>HAMBURG ESCORT AND GUIDE</b>







# Louisville, N. Carolina St. in Final Four

**United Press International**  
KNOXVILLE, Tennessee — Louisville came back from an 11-point second-half deficit and reeled off 14 straight points in overtime Saturday to defeat Kentucky, 80-68. In Ogden, Utah, meanwhile,

## NCAA ROUNDUP

North Carolina State upset Virginia, 63-62.

The victors advanced to the final four of the National Collegiate Athletic Association basketball tournament.

Georgia was to play defending champion North Carolina on Sunday in the NCAA East Regional final in Syracuse, New York, and Villanova was to meet Houston for the Midwest title in Kansas City, Missouri (see accompanying story). The winners will round out the final four.

In the Midwest Regional final here, Kentucky's Jim Master sent the first game between the intra-state rivals in 24 years into overtime with a 15-foot jumper from the baseline at the buzzer. But Louisville ran off 14 straight points in the first four and a half minutes of overtime to extend its winning streak to 15.

Louisville turned on a ferocious full-court press to force repeated turnovers in the five-minute overtime after the game was knotted, 62-62, at the end of regulation.

"I think we really confused them," said Louisville's Milt Wagner, who scored 10 of the Cardinals' 18 overtime points. "Every time they'd come down court, we'd get a blocked shot or a steal and we'd get an uncontested shot at the other end." Kentucky, which finished 23-3, blew a 13-point first-half lead and fell behind by five points before regaining its composure late in regulation.

"We hustled a lot in the second half," said Louisville's Lancaster Gordon, who led all scorers. "Pride really brought us back. It's just like when you think practice is over and you have to go practice for five more minutes."

Louisville rallied to erase an 11-point deficit and take a 5-point lead, 58-53, with 7:45 remaining. Down by 43-32, Louisville put on a steady press, converting three steals into baskets. Louisville pulled to within 45-42 with 15:18 left to play, and Gordon hit a spinning five-footer in the lane to give the Cardinals their first lead in the game, 50-49, with 11:40 left.

The lead changed hands three times before Louisville's defense went to work again. A basket by Billy Thompson gave the Cardinals their biggest lead in regulation at 58-53.

Kentucky came back, mostly on long-range bombs by Master, who finished with 18 points. Charles Hurt grabbed a rebound off a missed Derrick Ford free throw and laid it in to tie the game at 60, with 3:13 left.

Gordon had 24 points, while Wagner had 18 and Rodney

McCray 15. Melvin Turpin and Master both had 18 and Dick Minnifield 12 to lead the Wildcats.

Derek Whittenburg scored 24 points and Lorenzo Charles sank the game-winning free throws in North Carolina State's upset of Virginia for the West Regional title. The Wolfpack never led in the second half until Charles was fouled by Ralph Sampson and hit both foul shots with 23 seconds to play.

Sampson scored 23 points, pulled down 11 rebounds and blocked four shots to keep Virginia ahead throughout most of the game.

Whittenburg hit 11 of his 16 floor attempts, including four from beyond the 22-foot three-point line (the baskets were good for only two points, however, because the NCAA does not recognize the three-point goal in tournament play). Whittenburg also sank both his foul shots in a near-flawless performance for the 24-10 Wolfpack.

Virginia (29-5) was unable to pull away in the final minutes on free throws. The Cavaliers were two-of-six from the line in the closing minutes.

North Carolina State overcame a 47 percent shooting performance by forcing Virginia into 15 turnovers to only six for itself. The teams were dead-level on rebounds.

Charles tied the score for the second time in the final at 59-59 on a short-range jumper with 3:49 in game. After Rick Carlisle missed the front-end of a 1-and-1 free throw 22 seconds later, with the Wolfpack rebounding, North Carolina State appeared ready to stall down to the final seconds for a game-winning basket. But a steal by Craig Robinson and a slam dunk by Sampson put Virginia back ahead 61-59.

A basket by Whittenburg tied the score again, but Othell Wilson hit the first of two free-throw shots with 54 seconds left to give Virginia its final lead, 62-61.

Whittenburg kept the Wolfpack close in the first half with 12 points on six-of-nine shooting. And Sampson, after a slow start, became the force that kept Virginia in the lead.

The 7-foot-4 senior had nine points, eight rebounds and three blocked shots in the half. He was the only Cavalier in the game to score more than eight points.

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Memphis State's Bobby Parks lost control of the ball after a first-period run-in with Clyde Drexler of Houston. The Midwest Regional semifinal was won by Houston, 70-63.

## Georgia Eliminates St. John's; North Carolina, Houston Gain

**United Press International**

SYRACUSE, New York — Georgia rocked the NCAA tournament Friday night with a 70-67 victory over St. John's in the semifinals of the Midwest Regional. In the other semifinal, defending champion North Carolina defeated Ohio State, 64-51, behind Michael Jordan's 17 points.

In the Midwest semifinals, in Kansas City, Missouri, Villanova edged Iowa, 55-54, as Gary McLain and John Pinone each sank two free throws in the final 23 seconds. And Houston, thanks largely to center Alkeem Olajuwon's 21 points and five blocked shots, defeated Memphis State, 70-63.

Terry Fair had 27 points and contributed sharp foul shooting down the stretch to put Georgia in Sunday's regional final against North Carolina. "I think Georgia will always be a football school," Fair said. "But people will know from now on that we have a basketball program."

The uprisings of a Carrier Dome crowd of 23,286 were not enough to carry St. John's, in fact, many among the Redmen following were looking past Georgia in anticipation of meeting North Carolina. One New York City newspaper ran a headline that quoted a St. John's player: "We'll bury Bulldogs."

Hardly. Georgia, fourth in the Southeastern Conference this season, but winner of the league tournament, took command in the second half. During a four-minute stretch the Bulldogs went on a 15-4 run for a 49-43 lead with 10:05 to play.

St. John's made it 61-60 with 1:41 in play on a basket by Billy Goodwin and two foul shots by Kevin Williams. But Georgia made its next 7 points from the line. St. John's closed to 68-67 on two free throws by Chris Mullin with five seconds remaining. The Redmen had no time-outs left and were unable to foul as Georgia accepted its victory with a dunk by Fair at the buzzer.

For 23-9 Georgia, Fair, a 6-foot-7 center, was backed by Lamar Heard with 11 points and Vern Fleming with 10. Mullin had 19 points for St. John's, which closed its most successful season ever at 28-5.

"We went down like champions," said losing coach Lou Carnesecca. "They had to knock us out."

North Carolina had a tough time advancing. Paced by Joe Concheck's 10 points and an aggressive defense in the final minutes of the first half, Ohio State led the foul-plagued Tar Heels, 30-29, entering the final 20 minutes before Carolina had jumped to a 19-8 lead.

North Carolina (28-7) played most of the second half with two big men, Sam Perkins and Brad Daugherty, benched because of fouls.

The game was tied five times in the second half, but the Tar Heels, 42-42, coming with 11:24 left. But Jordan, despite an off night from the floor, triggered a 20-6 spurt over 10 minutes, erasing Ohio State's final lead and putting North Carolina in control.

Jordan had 13 points in the second half, Perkins finished with 13

and Braddock 10. Concheck led OSU with 14.

Bob Hansen scored 10 points during a 5½-minute stretch midway through the second half to lift Iowa to a 49-45 lead with 6:18 remaining. But 24-7 Villanova answered with a scoop by Stewart Granger, two free throws by Ed Pinckney and a follow by Mike Mulquin in take a 51-49 lead with 3:46 left.

Iowa's Steve Carfino tied it with his only basket 30 seconds later. The Wildcats then went to a spread, eased the clock to 23 seconds and secured the victory at the foul line.

Pacers, a bullish center, scored 18 points and hit the 2,000-point plateau for his Villanova career. For Iowa (21-10), Greg Stokes scored 22 points and had 11 rebounds while Hansen finished with 21 points.

Top-ranked Houston got exceptional frontline strength in running its record to 29-2 and its winning streak to 24 games. The Cougars struggled through the final eight minutes and resorted to a rare spread offense, almost blowing a nine-point lead.

Memphis State led, 44-43, with 15:20 left but Olajuwon provided a dunk, a fadeaway jumper and a sweeping hook to trigger a 14-4 run over the next 6½ minutes, putting Houston up, 57-48, with 6:08 remaining. With Houston a spread, Memphis State cut it to 57-55, but the Cougars were able to hold on.

Michael Young added 17 points for Houston while Bobby Parks scored 17 and Keith Lee and Derrick Phillips 13 each for the 23-8 Tigers.

## Depaul 75-67 Winner

**United Press International**

ROSEMONT, Illinois — Tyrone Corbin and Bernard Randolph ignited a second-half scoring spurt to carry Depaul to a 75-67 victory over Mississippi on Friday and into the semifinals of the National Invitational Tournament.

The Blue Demons (20-11) will meet Nebraska on Monday night in New York's Madison Square Garden. Wake Forest will face Fresno State in the other semifinal. The winners will play for the NIT championship Wednesday night.

Corbin scored 18 points while Randolph came off the bench to contribute 19, including 13 in the second half. Carlos Clark paced the 19-12 Rebels with 22.

Depaul, which led by as many as 17 points in the first half, saw the Rebels tie the game at 35 in the opening three minutes of the second half. Depaul had a 44-43 lead

when it went on a 12-2 tear to take a 56-45 advantage with 10:47 remaining.

The Blue Demons stretched the lead to 15 points before the Rebels staged a mild surge in the closing five minutes.

The winners, Kenny Patterson scored 13 points, nine in the first half, while Michael Partridge added 12 for Mississippi, all in the second half.

Depaul, making its ninth trip to the NIT, scored eight straight points early in the game to take a 15-4 lead. The Blue Demons were outscored by Ole Miss, 15-6, in the rest of the half as the Rebels closed the gap to 38-29 at halftime.

But Depaul's full-court press ignited the scoring spree midway through the second half, and the Blue Demons' zone defense kept Ole Miss from scoring regularly inside.

## At Long Last, Organization Paying Off for U.S. Ski Team

**By Bob Beattie**  
New York Times Staff Writer

NEW YORK — It's almost been like a dream. Phil Mahre racks up his third straight World Cup Alpine skiing title in Aspen on March 7, and then, last weekend in Foron, Japan, Tamara McKinney becomes the first woman from the United States to win the World Cup.

If I hadn't watched it happen with my own eyes in both locations, I am not sure I'd really be able to believe it.

The United States — the country that not so many years ago had to be taught to ski by the Austrians, French and Swiss — is now atop the Alpine ski racing world. And add to all that the facts that Kerry Lynch, the second American to win the King's Cup at Norway's Holmenkollen, is the 1983 unofficial World Cup Nordic combined champion, and Bill Koch will be defending his Nordic cup title this weekend.

It was a long way from the fall of 1961 when, as head Alpine coach, I led the U.S. team of six men and four women to France to train for the world championships. We had enough money for the trip over, but not enough for the trip home. But volunteers raised enough money during that winter so we could return home without problems.

Cups was a crisis-a-day program, a struggle for recognition in a world dominated by the Europeans. It was, in fact, a battle that was to last through the 1960s as we attempted to put together a semblance of an athletic organization.

We were always in trouble about something, both with the Europeans and with our own association, whether it was seeding positions in the races, spending money to send kids off to train when we hadn't yet raised the money or promising the U.S. public results we had no right to expect. We were always fighting for something, the trials and tribulations of those years seem amazing now, but back then they were far from it.

Times change. The current U.S. team is easily among the world's best for organization and leadership. There was no formal structure for the Americans back in 1961. A structure had been set up by the time I left in 1969, but it wasn't as refined as it is now.

Bill Marolt, the Alpine team director, was a competitor on the team we took to Europe in 1961. He went on to coach the University of Colorado to seven National Collegiate Athletic Association titles. He has put together a solid coaching staff led by Michel Rouillon (the women's team) and Conrad Bachrach (the men's). Both have superb young coaches working with them.

The U.S. ski team has a permanent base in Park City, Utah, overseen by Inez Ainslee, the team's executive director. Her particular concerns are administration and fund-raising; the results are only beginning to show as corporate America gets more and more involved.

People keep asking, "Is all of this for real?" I'd have to say it is. Naturally, in any sport, Phil

Mahres and Tamara McKinney are hard to come by and they will be hard to replace when they quit. On the other hand, Christine Cooper is the equal of McKinney, although Cooper is now recovering from a knee injury suffered this winter. Cindy Nelson, at 17, continues to improve; she finished second behind McKinney in the cup giant slalom standings this winter. The women's team is deep with veterans and lots of youngsters coming up.

The men are thin behind Phil and Steve Mahre on the cup circuit, but there has been encouragement from young racers competing on this winter's Europa Cup circuit, the developing ground for future Alpine skiers. U.S. racers won four Europa Cup events, and there were a number of seconds and thirds. Never has the young U.S. contingent done so well matched against their European counterparts.

So progress has been significant. Whether American skiers can continue to develop is the key question.

Good administration and coaching staffs are factor in the team's success; a program of year-round training, on skis and off, is another (trainer John Atkins has given the women needed continuity with their physical regimen).

Marolt has worked hard to send young racers to competition all over the world. In addition, top team members competed in this year's national championships at Copper Mountain, Colorado. That was a hardship for the Mahres, who came home from Europe for those races and then flew to Sweden the next week to renew their World Cup competition. But it was a boon for the younger racers who had the chance to compete against them.

The future must include an expansion of all of the successful elements now in place: funding, developing young coaches, finding a variety of international races for younger competitors and continuing development of domestic competitions and local programs.

For the moment, all those associated with the U.S. team have a right to be proud of 1982-83. And their accomplishments promise new excitement for 1984's Olympics in Sarajevo, Yugoslavia.

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## NBA Union, in Reversal, Will Allow Payroll Caps

**NEW YORK** — The National Basketball Players Association, in a reversal of a stance that marked weeks of collective bargaining, has agreed to let management impose payroll caps on each team after next season if the owners will also establish a payroll minimum.

That proposal, which was confirmed Friday by Larry Fleisher, the union's general counsel, would radically alter the way the National Basketball Association does business with its players.

There are currently no minimum or maximum team payrolls in the NBA, whose 23 clubs pay their players a wide range of salaries,

from the \$1.1 million reported for all of the Indiana Pacers to the approximately \$5 million for the Philadelphia 76ers.

Further, a source close to the negotiations said, such a plan would probably entail some form of revenue sharing among the teams, for the first time in NBA history. Revenue sharing would enable a financially crippled club to meet the minimum payroll.

It would also presumably bring the league closer to parity on the basketball court, since it would allow the troubled clubs to spend more freely for player talent.

The NBA office, in New York, which has been reluctant to discuss details of the negotiations, has refused comment on the plan. But a source close to the talks projected NBA revenues for the 1984-85 season, when the plan would be implemented, as \$160 million. Based on that figure, and if the players received the 53 percent they are demanding, the cap would be about \$3.8 million. He said the players were seeking a \$3.4 million minimum payroll per team.

The NBA office has said they must have a salary cap to control the rising salaries that have reached an average of \$246,000. But after months of negotiations, the two sides are still stalled on what the minimum and maximums should be.

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The players have threatened a strike for April 2 unless they have a contract to replace the one that expired last June. The latest contract talks broke off after 20 minutes Thursday, and no new talks were scheduled.

## Tass Reports Skate Marks

**MOSCOW** — Soviet and East German speed skaters set or bettered 12 world records, including three by American Eric Heiden, in a dual match at the high-altitude Eastern Soviet town of Alma Ata, Tass said Saturday.

Tass said Viktor Shashurin broke Heiden's world record of 1:54.79 by winning the 1,500 meters in 1:54.36. But Soviet teammate Igor Zhelezovsky soon eclipsed Shashurin's record with a 1:54.26. Shashurin earned 161,550 points in the all-distance points total, 1,423 lower than Heiden's old mark, according to Tass. Tass said another Heiden record fell in junior competition when Soviet Andrei Bobrov's six-year-old mark of 1:59.46.

The report said Soviet skater Pavel Pegov set records in the 500 meters (a 36.57 bettered his own 36.68, set Friday) and in totaling 146,955 points in the sprint combined; the record of 148,875 had been held by Canadian Gaetan Boucher. Pegov's 1:12.58 on Friday also bettered Boucher's 1:13.39 in the 1,000 meters.

Natalya Petrusyova's 1:19.31 in the 1,000 meters bettered her own world record of 1:20.81. On Friday, Petrusyova lowered her own 2:05.39 by winning the 1,500 meters in 2:04.04. Her 166,271 points in the nonstandard four-event loved East German Karin Enke's previous mark of 168,683.

Christa Rodenburg of East Germany reduced her own world best of 162,775 points in the women's sprint combined by totaling 161,120. Tass said.

## Exhibition Baseball

**Friday's Results**

Chicago (A.L.) 5, Cincinnati (A.) 11 Inn.  
New York (N.L.) 6, Kansas City 5  
Kansas City 5, Pittsburgh 5  
Minnesota 4, Philadelphia 2  
Montreal 5, New York (A.L.) 3  
Toronto 5, Houston 2  
Los Angeles 7, Pittsburgh 5  
Chicago (N.L.) 7, Milwaukee 6  
Oakland 11-5, San Diego 4-5  
California 7, Seattle 1  
St. Louis 8, Texas 3  
St. Louis 4, Atlanta 2  
Boston 4, Detroit 5

**Saturday's Results**

Cincinnati 5, Los Angeles 4, 10 Inn.  
Minnesota 12, Houston 3  
Baltimore 14, Atlanta 1  
Boston 9, Pittsburgh 4  
St. Louis 8, Texas 3  
Detroit 11, Toronto 5  
Chicago (A.L.) 5, Kansas City 1  
Philadelphia 12, Chicago (A.L.) 5, 10 Inn.  
San Diego 11-5, Oakland 4-5  
California 4, Chicago (N.L.) 1-3, 10 Inn.  
Philadelphia 5, Seattle 1  
San Francisco 11-5, Milwaukee 11  
New York (N.L.) 11, Philadelphia 6  
New York (A.L.) 11, Montreal 8



World Cup champions Phil Mahre and Tamara McKinney.



**HOLMES AT HOME** — Larry Holmes weighed in at 221 pounds, well above his normal fighting weight, for his World Boxing Council heavyweight title defense Sunday against European champion Lucien Rodriguez, who scaled 209. The fight was set for Holmes' hometown of Scranton, Pennsylvania.



